



Office of the City Auditor

Police Department Property Room Audit Report No. 0401

November 17, 2004

Modifications to procedures, revisions to City Ordinance, and improvements to performance measures will enhance the control environment for property and evidence held by the City while at the same time improving compliance with standards and requirements set statutorily.

CITY COUNCIL

Mayor
Mary Manross

Council
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November 17, 2004

To the Most Honorable Mary Manross, Mayor
and Members of the Scottsdale City Council

Transmitted herewith is Report No. 0401, "Police Department Property Room Audit." This document sets out a series of recommendations to strengthen the control environment as it relates to the receipt, storage, resolution, and ultimate disposal of property and evidence held in the custody of the Police Department. The City Manager, Police Chief, Risk Management Director, and Purchasing Director have reviewed the report and agree with the recommendations with one exception. Staff from the Police Department, City Attorney's Office, and the Financial Services Department were very cooperative during our audit and we would like to thank them for their assistance.

If you need additional information or have any questions, please contact me at 480-312-7756.

Respectfully submitted,

A handwritten signature in cursive script that reads "Cheryl Lee Barcala".

Cheryl Barcala, CPA, CIA, CFE, CGFM, CISA, CISSP
City Auditor

Table of Contents

ACTION PLAN.....	i
EXECUTIVE SUMMARY	1
RESULTS IN BRIEF	2
RECOMMENDATIONS	5
POLICY ISSUES.....	6
SCOPE LIMITATIONS	7
OBJECTIVE ONE – Determine if the control environment is sufficient to ensure that property is received, stored, preserved, and maintained then appropriately disposed of	9
OBJECTIVE TWO – Determine if the Property and Evidence Room complies with appropriate standards for the care and custody of property, City regulations, and State requirements	19
OBJECTIVE THREE – Determine if improvements are possible to better manage the items that come into the possession of the Property and Evidence Room	35
SCOPE AND METHODOLOGY	49
APPENDIX A –MANAGEMENT RESPONSES.....	51
APPENDIX B - BACKGROUND	75
Performance Measures.....	75
Location of the Property and Evidence Unit and Staffing.....	76
OBJECTIVES OF THE PROPERTY AND EVIDENCE FUNCTION	76
OWNERSHIP OF PROPERTY AND EVIDENCE	77
STANDARD FOR CARE OF PROPERTY	78
STANDARDS SET BY ACCREDITATION AGENCIES	79
PROFESSIONAL STANDARDS	81
STATE REQUIREMENTS	83
Spiruous Liquor	86
Weapons, Dangerous Instruments, or Explosives	87
Property Used in the Commission of a Crime.....	87
Abandoned, Lost, Found, or Stolen Property	88
Sale or Destruction of Property and Weapons	88
SCOTTSDALE POLICE DEPARTMENT POLICIES AND PROCEDURES	
GOVERNING THE IMPOUNDING OF PROPERTY AND EVIDENCE	88
Impound Process	89
Tracking Process	91
PROPERTY AND EVIDENCE ROOM COMPUTERIZED RECORDS	94
PROPERTY INVOICE MAINTENANCE	94
PROPERTY AND EVIDENCE ROOM OPERATIONS ORDERS	94
RELEASE OF PROPERTY AND EVIDENCE	95

ACTION PLAN

Management Responses have been abbreviated in this Action Plan with the exception of one disagreement to an audit recommendation, which is recreated in its entirety along with a City Auditor comment. The complete text of Management Responses is reproduced in Appendix A.

No.	Recommendations and Management Response
	The Police Chief should ensure that steps are taken to:
1	<p>Identify aged impounded items and items that have been approved for release and purge the Property Room of these items in accordance with authoritative requirements where possible or through an administrative process (for non-high risk items) if the only practical alternative.</p> <p>Management Response: Agree. All misdemeanor, found, safekeeping, and miscellaneous items impounded at least two years ago will be identified and disposed of, if appropriate. Phase I will include 1990 and older DRs; Phase II will include 1991-1995 DRs; Phase III will include 1996-2000 DRs; and Phase IV will include 2001-2002 DRs. We will re-implement current policy for disposition of felony items through scheduled Case Officer reviews.</p> <p>Responsible Party: Ken Racine Completed By: Phase I - 01/05 Phase II - 04/05 Phase III - 07/05 Phase IV - 09/05</p>
2	<p>Develop and implement a process that can be used to communicate the organizational commitment to creating and fostering an environment in which property and evidence is appropriately safeguarded while in custody, managed appropriately to ensure timely release, and disposed of according to statutory requirements.</p> <p>a. Provide sufficient funding for appropriate supplies such as tamper-proof currency envelopes, tamper-proof evidence tape for sealing envelopes and packages, and training for staff.</p> <p>b. Provide management level staff with the time and resources needed to participate in management training opportunities presented by Human Resources and professional organizations.</p> <p>Management Response: Agree. A Property and Evidence Quality Assurance Manual will be developed and will address these items (in progress).</p> <p>Responsible Party: Steve Garrett Completed By: 03/05</p>

No.	Recommendations and Management Response
3	Review and update job descriptions for the Property and Evidence Manager and technicians to more appropriately reflect the requirements related to the objectives of the function, set out expectations for certification, on-going training, and adherence to federal, state, and local regulations for the handling of property and a safe work environment.
	<p>Management Response: Agree. Updated property staff job descriptions will be submitted to Human Resources for review and approval.</p> <p>Responsible Party: Steve Garrett & Ken Racine Completed By: 12/04</p>
4	Seek opportunities to provide sufficient funds for training, professional development, and professional memberships that would provide staff with access to new developments in property and evidence management.
	<p>Management Response: Agree. Educational and training opportunities will be presented for evaluation and consideration during the FY 2004/05 budget process.</p> <p>Responsible Party: Steve Garrett Completed By: 11/04</p>
5	Require the Property and Evidence Manager to develop and document a Property Room Manual that sets out the policies and procedures for the operation of the Property and Evidence Unit to enhance consistency in operations, provide training materials to new staff, and set boundaries in which staff can operate without the need for management intervention.
	<p>Management Response: Agree. A) A Property Unit Procedures Manual will be developed. B) A Property and Evidence Training Manual will be developed.</p> <p>Responsible Party: Ken Racine Completed By: A - 05/05 B - 07/05</p>
6	Clarify the expectation for staff to adhere to General Orders and Operations Orders or seek management approval to modify or change directives that cannot be achieved.
	<p>Management Response: Agree. The expectations for Unit staff to adhere to General Orders and Operations Orders will be communicated in a meeting.</p> <p>Responsible Party: Helen Gandara-Zavala Completed By: 01/05</p>
7	Develop and document appropriate goals, performance measures, and tracking systems to provide timely, relevant information regarding the operations carried out by the Property and Evidence Unit.
	<p>Management Response: Agree. Performance measures and relevant tracking measures will be reviewed and realigned as necessary and appropriate.</p> <p>Responsible Party: Steve Garrett Completed By: 03/05</p>

No.	Recommendations and Management Response
8	Develop an accurate and reliable computerized database of impounded items that can be used as a tool for managing property until such time that the new Record Management System is available for use.
	<p>Management Response: Agree. A property/evidence computerized bar-coding inventory system to track all impounded items will be implemented.</p> <p>Responsible Party: Paul Hruby Completed By: 01/05</p>
9	Develop a control number system that could be used to place a sequential, unique identifier on each Invoice when received by the Property Room.
	<p>Management Response: Agree. The Unit will implement a bar-coding system that will uniquely identify each property invoice that comes into the property room.</p> <p>Responsible Party: Ken Racine Completed By: 02/05</p>
10	Develop a control list that could be used as a transmittal sheet when submitting Invoices for data input.
	<p>Management Response: Agree. A Property/Evidence Quality Assurance Manual will be implemented and will address the issue of a control sheet.</p> <p>Responsible Party: Ken Racine Completed By: 03/05</p>
11	Develop a process to reconcile data entry to the control list to ensure that all line items on Invoices are input and information correctly reflects what is listed.
	<p>Management Response: Agree. A Property/Evidence Quality Assurance Manual will be implemented and will address the issue of reconciling data entry.</p> <p>Responsible Party: Ken Racine Completed By: 03/05</p>
12	Develop a system in which computerized records can be updated to allow for changes in location and other data, such as release of items, in a timely manner. This system needs to allow for situations in which only one item on the Invoice may need to be updated.
	<p>Management Response: Agree. A property/evidence bar-coding system will be implemented to track all impounded items in custody of the police department.</p> <p>Responsible Party: Paul Hruby Completed By: 01/05</p>

No.	Recommendations and Management Response
13	<p>Review and update the General Orders to provide consistent direction on Invoice preparation, item packaging, responsibility for review, and the method to be followed when releasing property and evidence. At a minimum consider the following:</p> <ul style="list-style-type: none"> a. Clearly state the responsibility for staff to complete the Invoice including all fields such as serial number, details leading to the impound of property or evidence, and classification type. b. Clearly state that items of evidence are to be packaged separately to avoid potential issues with cross-contamination and to facilitate release if an item is not needed. c. Re-visit the need to package and seal items turned in as “found” or for safekeeping to allow for a more efficient storage system based on type of property impounded instead of type of package. At the same time, the elimination of the requirement for sealed packages would facilitate disposal of the property by reducing the time necessary to open an envelope or package to determine what is inside and allow Property Room staff to verify serial numbers and look for information that might lead to identification of a claimant name or address. d. Clarify use of the classification type “found” and “safekeeping” to provide consistency when impounding items. e. Clarify when it is appropriate to record “State of Arizona” as the claimant and “City of Scottsdale” as the finder of property and evidence. f. Develop and document packaging requirements when impounding computers, peripheral devices, diskettes, removable storage devices, and other various types of equipment. g. Develop and document the process to be followed when impounding rolls of film (i.e., submit the film for processing or not; type of container to keep the unexposed film in if not developed), digital photographs (i.e., print photos and submit a diskette with the image), audio recordings, and other materials that would be subject to deterioration if improperly stored or packaged. h. Require the weight of bulk items, such as marijuana, to be recorded on Invoices in order to establish a baseline control that can be used to verify quantities submitted for disposal. i. Develop and document internal policy on the conversion of forfeited or unclaimed property to Police Department use. At a minimum establish a requirement for approval, the appropriate level of review, marking and tracking of items converted, and an annual inventory by the Office of the Chief or another appropriate area. j. Properly track and account for guns turned over for use in service, requiring special investigations to provide information on such guns to the area that tracks service issue weapons. This process is similar to the one used to track traditional weapons ensuring that the weapons will be returned should employment cease.

No.	Recommendations and Management Response
13 cont	<p>k. Prohibit the temporary release of property or evidence outside the control of the Property Room with the exception of situations required under Court Order, for laboratory testing, or for reasons specifically defined in Operations Orders.</p> <p>l. Designate the parties responsible for making a reasonable effort to identify or locate the owner of impounded property and ensure that such efforts are made.</p>
	<p>Management Response: Agree. Applicable General Orders will be reviewed and necessary changes to address audit issues will be presented to the Policy Review Committee and to upper staff for approval and implementation. Training will be provided to the affected units to insure that applicable procedures and policies are followed appropriately.</p> <p>Responsible Party: Patrol Bureau Completed By: 04/05</p>
14	<p>Review and update the Operations Orders. At a minimum, consider:</p> <ul style="list-style-type: none"> a. Ensuring consistency with the General Orders. b. Developing adequate drug disposal procedures, which, among other things, set out the documentation necessary to evidence the drug disposal; the acceptable disposal methods for the various drug types; and the necessary weight and quantity verifications that are to be made relative to amounts recorded on the respective Invoices. c. Developing adequate weapons disposal procedures, which among other things, set out requirements to retain a list of the weapons forfeited to the City; requirements to compare descriptive information on the weapons, such as serial numbers, to descriptions listed on the related Invoices; requirements to retain a list of the weapons actually destroyed; and requirements to document the destruction of weapons. d. Developing requirements for documenting cash discrepancies between what is reported as impounded and what is actually found to be present prior to making deposits with the City Treasurer. Discrepancy thresholds should be set to indicate when these reports should be forwarded to management for follow-up. e. Requiring the use of a unique disposition code on the Invoices to identify property converted to City use as well as a unique code to identify property forfeited through RICO. f. Developing a policy and related procedure on the steps to re-tag property if the original tag is lost. g. Developing a policy and related procedure on modifications, alterations, or corrections to information on Invoices and packages. h. Developing a policy and related procedure on the storage of computers, peripherals, and storage media to reduce potential for damage or deterioration while in custody.

No.	Recommendations and Management Response
14 cont	<p>i. Requiring Property Room personnel to verify information on Vehicle Invoices in a manner similar to what is required for Invoices for non-vehicle items, take appropriate steps to notify parties when vehicles are approved for release, and ensure that vehicles are disposed of in a timely manner if unclaimed within the allotted time period.</p> <p>j. Requiring vehicle impounds to be recorded onto the computerized database of impounded items.</p> <p>k. Developing a policy that requires tracking items temporarily released from the Property Room until the item is returned.</p> <p>l. Clarify the method to be used to document the authorization to release property and evidence and the documentation required to be presented and retained when releasing items (for disposal or conversion to use) forfeited under Court Order.</p> <p>m. Prohibiting individual staff from accessing high-risk items while alone and requiring tracking logs to document access to such items.</p>
	<p>Management Response: Agree. Operations Orders will be reviewed and appropriate changes will be presented to the Policy Review Committee (PRC) and upper staff for approval.</p> <p>Section M has been considered and we have elected to implement compensatory controls, which satisfy its intent. In addition, the new Property building will include card key access to restricted sites in order to monitor employee access.</p> <p>Responsible Party: Ken Racine Completed By: Submit to PCR by 06/05</p>
15	<p>Develop a new Invoice, to help provide an auditable trail of the disposition of impounded items, that provides sufficient space to print the name and address of the individual to whom property is released.</p>
	<p>Management Response: Agree. The form will be reviewed for changes needed for the next generation RMS, the new bar-code system, and for simplification.</p> <p>Responsible Party: Ken Racine & Joan Scott Completed By: 02/05</p>
16	<p>Cease the practice of "temporarily" releasing items from the Property Room with the exception of situations in which the evidence is required at Court, for forensic testing, or for defined investigative purposes. If an item needs to be "viewed," arrangements should be made to conduct the viewing at the Property Room.</p>
	<p>Management Response: Agree. General Orders will regulate the temporary release of evidence and will include a process for tracking and follow up.</p> <p>Responsible Party: Patrol Bureau Completed By: 04/05</p>

No.	Recommendations and Management Response
17	Require documentation of and retention of Court ordered forfeiture prior to the release of any items for placement in service or inventory in the crime lab.
	<p>Management Response: Agree. A Property/Evidence Quality Assurance Manual will be implemented and will address the handling and disposal of impounded property.</p> <p>Responsible Party: Ken Racine Completed By: 03/05</p>
18	Develop a form that can be used when accepting items for "destruction" that documents name and address of the individual submitting the item and requires certification of ownership. The form should contain a place in which the individual can confirm that the City can place the item into service, donate or use the item for other purposes, or decline the use of the item in such a manner.
	<p>Management Response: Agree. A form will be developed and submitted to the Forms Committee for approval.</p> <p>Responsible Party: Ken Racine Completed By: 01/05</p>
19	Develop a form, to be attached to the Invoice, which indicates each six-month review conducted by the Case Officer, supervisor, or other appropriate chain of command. Require that the detailed reason for retaining the property be documented at each six-month review.
	<p>Management Response: Agree. Until the new RMS property module is installed, an internal form will be developed and given to the Officer for each review.</p> <p>Responsible Party: Ken Racine & Joan Scott Completed By: 01/05</p>
20	Develop and provide receipts for impounded property that give the claimant the necessary information on how, where, and when they can or must retrieve their property.
	<p>Management Response: Agree. A receipt will be developed based on legal requirements and will be used as specified.</p> <p>Responsible Party: Patrol Bureau Completed By: 03/05</p>
21	Limit Property Room staff access to facility keys during business hours only.
	<p>Management Response: Agree. This will be addressed in the Operations Orders. Keys will be left at work and accounted for daily.</p> <p>Responsible Party: Ken Racine Completed By: 12/04</p>

No.	Recommendations and Management Response
22	Assess the Invoice form for potential improvements that could be achieved through redesign and placing it online for completion.
	<p>Management Response: Agree. The Invoice will be reviewed for redesign. The new RMS will allow the Invoice to be placed online.</p> <p>Responsible Party: Ken Racine & Joan Scott Completed By: 08/05</p>
23	Develop and implement a storage methodology that segregates lost, abandoned, and safekeeping items from evidence impounds.
	<p>Management Response: Agree. This will be implemented in the new property building when it is constructed.</p> <p>Responsible Party: Ken Racine Completed By: 2007</p>
24	Review and reevaluate City Ordinance, Chapter 23, Article III, to ensure that it accurately reflects the City policy position on the appropriate handling of unclaimed evidence and property. The review should incorporate issues such as: requirements for notice; required holding periods; and areas of responsibilities as it relates to the determination of disposal method.
	<p>Management Response: Agree. The applicable Ordinance will be reevaluated to ensure that it reflects the City position on handling unclaimed evidence and property.</p> <p>Responsible Party: Helen Gandara-Zavala & Paul Norman Completed By: 05/05</p>
25	Require that Property Room staff discontinue the practice of destroying all forfeited and unclaimed weapons as well as property that they determine has no value and comply with City Ordinance that indicates that forfeited and unclaimed property is to be transferred to the Warehouse so that such decisions can be made under the purview of the Purchasing Division. If arrangements are made with the Purchasing Division for Property Room staff to participate in the valuation and destruction of the forfeited and unclaimed property, the related procedures should be documented in the Property Room Operations Orders.
	<p>Management Response: Agree. We will meet with the Purchasing Director to develop needed procedures and policies and include this information in the Property and Evidence Operations Orders.</p> <p>Responsible Party: Steve Garrett Completed By: 01/05</p>

No.	Recommendations and Management Response
26	Require, prior to sending forfeited and unclaimed property to the Warehouse, Property Room staff to open impound packaging to view and reconcile all items to their related Invoices. Discrepancies should be documented and forwarded to appropriate staff for resolution.
	<p>Management Response: Agree. This requirement will be included in the Operations Orders.</p> <p>Responsible Party: Ken Racine Completed By: 11/04</p>
27	Require that Property Room staff discontinue the practice of sending Invoice copies to the Warehouse.
	<p>Management Response: Agree. Un-redacted Invoice copies will not be sent to the Warehouse. Instead, a descriptive list of the items will be provided.</p> <p>Responsible Party: Steve Garrett Completed By: 11/04</p>
28	Require, until such time that the City Ordinance is modified, that Property Room staff comply with current Ordinance and prepare (and retain) a list of forfeited and unclaimed property that is to be transferred to the Warehouse. This list should also be provided to Warehouse staff for their use in verifying that they have received all items indicated.
	<p>Management Response: Agree. Staff will comply with current ordinance. A list will be developed and given to the Warehouse at the time property is released.</p> <p>Responsible Party: Ken Racine & Joan Scott Completed By: 12/04</p>
29	Require Property Room staff to provide a "certificate of ownership" upon delivery to a finder of any property unclaimed by an owner.
	<p>Management Response: Agree. Unit staff will provide a "certificate of ownership" on delivery to a finder of any property unclaimed by the owner.</p> <p>Responsible Party: Ken Racine Completed By: 11/04</p>

No.	Recommendations and Management Response
	The Purchasing Director should ensure that steps are taken to:
1	Comply with City Ordinance and sell unclaimed property at public auction (when sale of the property is deemed appropriate).
	<p>Management Response: Disagree with the finding. Purchasing has always complied with the requirement of using competition to dispose of unclaimed property. The Procurement Code, Section 2-209 (C), allows the use of Offers to Purchase (OFT). Clearly, the intent of this section is to use an open, competitive process to dispose of all unwanted City property. OFTs are such a process. We will recommend that Scottsdale Revised Code, Section 23-36, be evaluated by the City Attorney's Office.</p> <p>Responsible Party: Monroe Warren Completed By: 04/02/90</p> <p>City Auditor Comment: We do not agree that the disposition of unclaimed, impounded property has complied with the applicable requirements. According to the cited Procurement Code section, the ability to use Offers to Purchase pertains only to any single item of surplus property, which has a fair market value equal or greater than the formal procurement limit (currently over \$20,000). This section does not provide the ability to combine items to reach the formal procurement threshold. The informal disposal process does not identify the Offer to Purchase process as a disposal method. In addition, City Code, Section 23-36, indicates that all sales of unclaimed, impounded property shall be at public auction, which is consistent with the Procurement Code's informal disposal process. This has led to our conclusion that the sale of unclaimed property has not complied with City Ordinance.</p>
2	Return any unopened impound packages to the Property Room so they can open and reconcile unclaimed items to their records prior to any Warehouse action.
	<p>Management Response: Agree.</p> <p>Responsible Party: Phil Murphy Completed By: 11/02/04</p>
3	Discontinue the practice of donating unclaimed property to charitable organizations until such time the City Ordinance is modified to allow this method of disposal.
	<p>Management Response: Agree.</p> <p>Responsible Party: Monroe Warren Completed By: 10/01/04</p>

No.	Recommendations and Management Response
4	Develop written procedures for the handling of unclaimed property converted to City use or provided to City employees for other use. At a minimum, the procedures should require written authorization from supervisors or managers to release the item to their employee, as well as Program Manager authorization if the item is to be provided in support of a City program.
	Management Response: Agree. Responsible Party: Phil Murphy Completed By: 12/31/04
5	Provide "Certificates of Sale/Ownership" to purchasers of unclaimed property as well as in instances when unclaimed property is converted to City use.
	Management Response: Agree. We will provide certificates listing everything offered in the original Offer to Purchase. Responsible Party: Phil Murphy Completed By: 12/31/04
6	Ensure that the proceeds from the sale of unclaimed property, over and above the cost of sale and advertising, are deposited with the City Treasurer and retained in a separate fund for six months prior to being reverted to the General Fund.
	Management Response: Agree. We have recommended that the Police Department change SRC, §23-36 (b), to match current City requirements. Responsible Party: Monroe Warren Completed By: 11/04/04

No.	Recommendations and Management Response
	With regard to employees in job classifications that have been identified as having occupational exposures, we recommend that the Risk Management Director take steps to develop and implement procedures to:
1	Ensure that the Exposure Plan is updated at least annually or more often if needed.
	<p>Management Response: Concur. Risk will document an annual review of the exposure control plan and make necessary changes.</p> <p>Responsible Party: Paul McKee Completed By: 04/01/05</p>
2	Ensure that Risk Management staff review, on an annual basis, the work practices of the Property Room (as well as other areas that have employees with occupational exposure) to ensure that sufficient steps have been taken to mitigate risk of exposure.
	<p>Management Response: Concur. Risk will use Scottsdale University to ensure that Property Room work practices are reviewed annually.</p> <p>Responsible Party: Paul McKee Completed By: 04/01/05</p>
3	Ensure that Risk Management staff review Property Room Operations Orders (as well as the written procedures of other areas that have employees with occupational exposure) to ensure that the work practices outlined in these Orders are sufficient to adhere to what has been set out in the Exposure Plan.
	<p>Management Response: Concur. A system will be developed to ensure review and documentation annually.</p> <p>Responsible Party: Paul McKee Completed By: 05/01/05</p>
4	Verify whether new employees receive the opportunity to obtain vaccinations within ten days of initial assignment.
	<p>Management Response: Concur. The initial vaccination appointment will be set up at Orientation and followed up via an Appointment Sheet.</p> <p>Responsible Party: Paul McKee Completed By: 11/01/04</p>
5	Ensure that new employees receive appropriate training prior to initial assignment.
	<p>Management Response: Concur. Risk is working with HR to include an expanded bloodborne pathogen training module in future New Employee Orientations.</p> <p>Responsible Party: Paul McKee Completed By: 06/01/05</p>

No.	Recommendations and Management Response
6	Rotate the type of training provided to employees to provide an opportunity for staff to pose questions to instructors or raise issues.
	<p>Management Response: Concur. Training will comply with OSHA requirements to enable employees to ask questions of instructors and/or Risk staff.</p> <p>Responsible Party: Paul McKee Completed By: 05/01/05</p>
7	Centralize the tracking of training to ensure that Departments/Divisions comply with the mandated training schedules.
	<p>Management Response: Concur. Each Division will have a learning coordinator to track all training via Scottsdale University. Risk will oversee this process.</p> <p>Responsible Party: Paul McKee Completed By: 09/01/05</p>
8	Ensure that Departments/Divisions have sufficient controls in place to identify transitional and other staff temporarily assigned to work in positions with occupational exposure and are verified as having received appropriate training, material, and information prior to their assignment.
	<p>Management Response: Concur. A communication will be sent to all Supervisors regarding temporary and transitional workers to ensure that pre-set safety training, materials, and information is in place and being utilized by the Supervisor.</p> <p>Responsible Party: Paul McKee Completed By: 04/01/05</p>

EXECUTIVE SUMMARY

An audit of the Police Department Property Room was included on the Audit Plan for 2002/2003. The work was undertaken to ensure that adequate controls are in place to safeguard property and evidence impounded by the Police Department as well as to determine the level of compliance with professional standards. While completing the work, we considered whether or not improvements could be made to strengthen control over property and evidence or enhance the operational efficiency and effectiveness of the Property and Evidence Unit (Unit).

The Chief of Police and his management team have moved quickly to address issues raised in this audit. Transitional staff has been assigned to the area to help with the activities necessary to review items. Officers are receiving training to ensure that they understand the need to provide complete information when submitting a Property Invoice (Invoice). Efforts are underway to determine if there is a way to locate items that have been temporarily released and contacts have been made to initiate a routine process to dispose of potentially biohazard materials. The Police Department Legal Advisor is drafting new language to update the City Ordinance to reflect current State requirements and Police Department staff are reviewing General Orders to incorporate additional policies and procedures.

The Administrative Services Bureau Director and the Forensic Services Division Manager are working with Unit staff to develop a Property and Evidence Manual that will provide more guidance to staff and serve to enhance consistency in operations. Changes to the process used to document the receipt of property and evidence and the need for integrated computerized records will be part of the needs assessment for the new Records Management System (RMS). To address space concerns, a new, larger Property Room has been incorporated into the facility currently planned at the McKellips Road site. It is projected that this facility will be completed in 2006 at the earliest.

The Scope and Methodology section of this report summarizes the work we conducted to arrive at the conclusions related to our objectives. Appendix B contains background information if more detail is desired. Work performed and the results of testing have been set out in a supplemental document that is available from our Office.

Results in Brief

The Unit was able to produce, with some exceptions, an Invoice each time we requested one. In most cases when the Invoice could not be provided, it was because the Department Report (DR) numbers on computerized records appeared to be incorrect (or no longer the correct number) and Unit personnel could not determine the DR number under which the Invoice was filed. Similarly, in most cases, the Unit was able to produce items we requested to see when conducting our physical verification. Generally, exceptions could be traced to situations in which property had been temporarily released from the Property Room and Unit staff was unable to determine the current location of the item. We found the primary Property Room clean with a systematic storage methodology and restricted access. Employees were knowledgeable and could generally locate property and conduct research, if needed, to find Invoices or items.

Notwithstanding these positives, no one actually knows how many items are currently in the custody of the Unit. It is also unknown what items are present that should not be, and what items are missing. Computerized records show more than 120,000 items currently impounded. Test results, however, indicate that there are multiple instances in which impounded items are not reflected on these records. Conversely, there are numerous instances in which items have been released but computerized records still reflect them as in custody.

In addition to issues with the accuracy of computerized records, there are situations in which documentation (both computerized records as well as Invoices) does not reflect the correct status of items impounded. During physical verification tests, we found items still in custody when paperwork indicated that the property or evidence had been released. In one test, for example, we found two items of jewelry impounded in 1982 still in the safe even though records indicate that the items were sent for auction in 1983. On the other hand, Unit staff was unable to produce some items even though paperwork indicated that the property or evidence should still be impounded.

With the number of errors found, a full inventory and reconciliation of documentation (computerized records as well as Invoices) will be required to determine the actual volume of items held, the number released temporarily and not returned, and those that simply cannot be found. Even with this reconciliation, it is unlikely that all errors will be identified for correction. Past practice, by Unit management, allowed staff to resolve discrepancies (i.e., when an item was temporarily released and not returned or if it could not be located) by recording a final disposition on the Invoice. Procedures were such that there was no research, no management review, and no documentation of the decision outside what is listed on the Invoice. The practice is not documented and implementation has not been consistent.

Because records are not correct and periodic inventories have not occurred, Police Department management has limited knowledge of backlog items needing final resolution. In all, we found 2,300 firearms awaiting final disposition many of which could have been disposed of if there had been a systematic process set up. Records are such that we could not determine the volume of narcotics and dangerous drugs awaiting disposal because: there is no control log identifying Invoices on which drugs were impounded; the quantity impounded is not recorded on Invoices; and procedures requiring the segregation of this type of property have not been followed. With the current state of computerized records and filing systems in place in the Property Room, there is no feasible way, outside of a complete physical inventory involving a line-by-line, Invoice-by-Invoice¹ search, to identify all instances in which drugs were impounded. The same is true with impounded items of currency and jewelry.

For money and other valuables, we counted more than \$250,000² in currency held in the safe, alone. More than \$60,000 has been held longer than 3 years and in at least 20 cases, currency has been held for more than 10 years. Unless there was a true need to keep the currency or coin for evidentiary purposes, the funds should have been returned to the owner, heir, or escheated³ and deposited. When funds are held longer than needed, the rightful owner is denied the use of the funds, interest is not earned, and there is a greater risk of accidental loss. Moreover, when items are retained, the packaging takes up space, a condition that has led, according to the Unit Manager, to storing high-risk items in less secure areas. Based on information in RMS alone, we estimate there is at least \$30,000 in currency filed with the general population of property and evidence instead of in the safe.

During physical verification tests, we found numerous examples where documentation indicates that the item(s) have been approved for release but the property and evidence is still held. Boxes of potentially biohazard evidence and contraband, approved for release, are stored in the abandoned incinerator room waiting for destruction while off-site storage facilities and mobile storage units contain found and safekeeping items that exceed the required holding period by years. We also found property recorded as "destroyed" still held in the Property Room.

We found firearms awaiting disposal that were impounded more than 20 years ago and no evidence that proper notice had been given for owners to claim

¹ Because Invoices are not assigned a sequential number when received in the Property Room, there is no way to ensure that all Invoices had been accounted for when conducting the inventory.

² One impound accounted for more than \$100,000. The funds had been held while the Police Department attempted to locate the owner.

³ Reversion of property to the state in the absence of a legal claimant.

the items. Because property has not been disposed of in the statutorily mandated timeframe, the length of time between the impound date and final resolution will create a situation where claimant information, correct at one time, may no longer be accurate. Moreover, any research needed to identify claimant name or address will be more difficult because of Police Department staff turnover, microfilming of old records, and the potential for any change of address notification process to no longer be in effect.

In other situations, so much time has expired between temporary release actions and follow-up that Unit staff is unable to identify the current location of items. We found more than 20 instances in which items have been temporarily released from the Property Room and the Unit has no information on the party currently holding the property or evidence. Because there is no documentation (i.e., name and address) of the party receiving custody, we could not verify that the third party still had the item. This creates a potential risk that the property was returned to the Property Room but the receipt not recorded. We found two situations where this appears to have been the case. In one instance, Unit staff traced a firearm, temporarily released to Court, and followed up to determine if the firearm was still held. Court personnel reported that the item had been returned. The Invoice, however, does not reflect the return of the item and we did not find it during testing. In the other instance, we found a firearm in the Property Room during a physical verification test but the Invoice lists the item as released to Court.

With the Property and Evidence Unit operating more as a warehouse instead of an active property management function, the volume of items held has outgrown the space available. As a result, off-site facilities, which cost more money, have been required to provide more storage space. These sites are not kept in the same clean, orderly fashion found with the Property Room and conditions are such that there is a potential for deterioration, damage, and theft. Boxes and items are piled on top of one another due to inadequate shelving. Computer equipment is stored in haphazard fashion and computer diskettes, audiotapes, videotapes, film, and photographs are not stored in a controlled environment away from exposures that could render the media useless. We frequently had to move large volumes of items out of storage areas and sort through envelopes and packages to find what we were looking for because the items were not stored in a systematic fashion.

Finally, for situations in which unclaimed property has been destroyed or sold, practice does not comply with statutory requirements. According to destruction records, at least 14 bulk destructions of firearms, knives, and other related items have occurred since 1995 but Unit personnel, with the exception of one instance, could not produce corresponding forfeiture petitions or publication of notice. In addition, documentation provided for 9 of these bulk destructions did not contain the minimum required information that would have

been necessary for publication. Moreover, the information did not meet the standards set out in Operations Orders or City Ordinance. For non-weapon related disposals, staff in both the Unit and the City Warehouse (Warehouse) acknowledged that no forfeiture petitions or publication of notice has occurred for any destruction, sale, or escheatment of unclaimed items even though this process is statutorily mandated.

Recommendations

Implementing a stronger control environment will provide better safeguards for the property and evidence impounded by the Police Department. The following five elements combine to achieve the adequate level of control needed for this function:

1. The control environment sets the tone for the organization. Enhancing the control consciousness of the employees responsible for the function as well as the employees responsible for impounding property will provide better assurance that objectives are met. Achieving an adequate control environment will require organizational support and a commitment to appropriate levels of oversight and training.
2. Risk assessment is the identification, analysis, and management of risks that impact an organization's ability to achieve its goals and objectives. Based on interviews and reviews of procedures, it is clear that thought has been given to the risks associated with the function of property and evidence impound. Initiating a new risk assessment will provide more assurance that the function achieves its goals and objectives.
3. Control activities are the policies and procedures in place to help ensure that directives get carried out. For the Property and Evidence function, these activities are limited and many are out-dated. Developing and documenting current policies and procedures will improve the operation of the Unit and enhance safeguards.
4. Information and communication consist of the methods established to record, process, summarize, and report transactions to provide management with the ability to make decisions. The Unit does not have a reliable computerized system. As a result, monthly activity reports must be manually generated and the information captured is not the best available for trend analysis. Developing a reliable computerized system that can be used to generate appropriate management reports will improve communication.
5. Monitoring is the process that assesses the quality of internal control performance over time. While Police Department management clearly outlined the expectation for semi-annual inspections, annual inspections, and audits of the Unit, these activities were not performed at a level sufficient to gauge compliance with requirements. Developing a standard

audit plan that can be used when conducting routine internal reviews will provide consistency and help ensure that management receives timely, accurate information.

Policy Issues

There are several policy issues that will need to be resolved as the City moves forward with addressing the release of property and evidence. First, current City Ordinance requires, in most cases, that unclaimed and forfeited property be sent to the Warehouse for auction. This requirement mirrors the process set out in State Statute. Historical policy of the Police Department has been, however, to destroy all "dangerous weapons" regardless of the nature or condition. This policy has resulted in the wholesale destruction of knives, air guns, pellet guns, BB guns, and starter pistols because they are classified by the Police Department as dangerous weapons. The policy ignores the value of collectible guns, the historical significance of museum pieces, and the potential for other uses such as cannibalism for parts. It also ignores the value of clips, sights, holsters, or other removable items that can be stripped from weapons, prior to destruction, and sent to auction or converted to other uses.

Second, City Ordinance does not address the practice of donating unclaimed items to City-sponsored programs such as "Handlebar Helpers" or "Bike to Work." Current language in City Ordinance limits the method of disposal and donating to charity is not an option even though the Purchasing Division has used this method in the past.

Third, City Ordinance specifically requires unclaimed property and evidence to be sold by public auction. The Purchasing Division does not dispose of unclaimed property and evidence in this manner. Instead, property is combined in lots and sold under an "Offer to Purchase" process in which sealed bids are requested and the lots are sold to the highest bidder.⁴

Fourth, City Ordinance currently sets a 30-day time period for property to be held prior to declaring it unclaimed. Under Arizona Law, property must be held for 90 days prior to declaring it unclaimed. While it may be possible for the City to set, by local ordinance, a shorter time period, it is also possible for the City to elect the longer period. Similarly, State Statute requires publication of information regarding unclaimed property prior to forfeiture to provide notice to potential claimants. City Ordinance does not currently require this process for any property other than unclaimed evidence. City Council could elect to modify City Ordinance to require publication prior to forfeiture.

⁴ In situations where the item may have a value significant to warrant consignment, this disposal method may be used.

As a result of past practice, the City has foregone revenue, and, potentially, disposed of property without taking appropriate steps to terminate legal ownership. In the case of donations to charitable organizations, there is no formal structure to this program such as limits on value, which organizations can participate, or restrictions on what the organizations can do with the donations. If these practices are to continue, the Council should be provided the opportunity to review all options and set policy.

Scope Limitations

During the completion of this audit, we encountered several scope limitations that either prevented us from conducting certain tests or impacted our ability to conduct statistically valid tests. These limitations, summarized below, are discussed in greater length in the Scope and Methodology of the supplemental document.

1. A list of all Invoices submitted to the Unit could not be produced and computerized records were inaccurate. Without a control list, we could not ensure that every Invoice had a chance of being selected when preparing samples for testing. Test results, therefore, cannot be statistically projected to the entire population.
2. An accurate inventory list could not be generated to allow us to determine what items should have been in custody at the time of the audit.
 - a. The calculation of a statistically valid sample is driven by the size of the population. Because the "how many" portion of the calculation could not be determined, statistically valid tests could not be developed to verify compliance with requirements.
 - b. The completion of a physical inventory verification requires the ability to determine what should be in custody. If procedures are such that no control list is created when an item is placed into inventory, the ability to ensure its continuing existence is negatively impacted.
3. We could not independently verify the disposition of property because the printed names and addresses of recipients are not captured when property and evidence is released to them.
4. The ongoing existence of property, temporarily checked out of the Property Room, could not be verified because documentation was not available to indicate where the property was actually taken.
5. Concerns with inserting ourselves into the chain of custody kept us from physically viewing items to verify their actual existence. If a package or envelope could be located and the description or other information listed appeared to agree with the Invoice, we considered this a positive confirmation that the item or money was contained therein, and, as a result, still in the possession of the Unit.

6. We could not test impounds of bulk items such as marijuana to verify the ongoing existence of the quantity initially impounded because there is no requirement to weigh and record, onto the Invoice, bulk items at the time of impound.
7. Compliance with the requirement for Officers to conduct periodic reviews of impounded property could not be tested because there is no documentation captured to evidence the review.
8. Current procedures designed to control the disposal of weapons and drugs could not be tested because there has been no destruction of items of this nature since 2001.
9. Verification of the continuing existence of guns, recorded as converted to City use, was not done because advance notice of the inquiry was given to the areas, thus precluding the ability to conduct an unannounced inspection.
10. In many cases, Unit staff had to conduct research in order to locate an Invoice. As a result, there were situations in which a significant amount of time transpired between a request for an Invoice and the receipt of a copy. This meant that we were not able to verify that the copy provided to us was a "true and correct" copy of the original nor could we verify that the Invoice was actually in the Property Room at the time the request was made. Therefore, we could not reach a conclusion that the Property Room actually had, in their possession, the Invoices that were submitted to us or that the copies provided to us accurately reflected the status of information on the Invoice prior to the start of the audit. Moreover, we noted some instances in which information listed on the Invoice appeared to be changed or added (and potentially post-dated). Changes or additions were not explained, and in many cases not dated, so we could not ascertain their significance relative to our audit.

OBJECTIVE ONE

Determine if the control environment is sufficient to ensure that property is received, stored, preserved, and maintained then appropriately disposed of.

FINDING: Strengthening the control environment would provide property and evidence held in the custody of the Police Department with a more appropriate level of safeguards.

Management's philosophy and operating style can mitigate risk when it sets the expectation that an appropriate control environment is a requirement that cannot be jeopardized. Risk can also be mitigated when staff receive appropriate training, maintain a basic level of competency through on-going training, and are provided the resources necessary to carry out their job duties.

CRITERIA: Adequate internal control provides reasonable assurance of the achievement of objectives. The insert below shows the objectives of the Unit as outlined in the Operations Orders.

- Protection and security of the Property and Evidence Unit.
- Maintaining clean and orderly property and evidence storage facilities.
- Protecting impounded property from damage and deterioration.
- Ensuring proper accountability procedures are being maintained.
- Making sure all property having no further evidentiary value is disposed of promptly and in compliance with Arizona State Statutes and City Ordinances.

The design and implementation of an adequate internal control structure also mitigates risk. For the Unit, risks include:

- The potential for impounded items to be:
 - Lost, damaged, or misappropriated while in the custody of the Unit.
 - Held longer than needed, effectively depriving the rightful owner of the use, enjoyment, or decision to dispose of the item as well as increasing the cost of operations by requiring additional storage and decreasing efficiency.
 - Released or forfeited in a manner contrary to statutory requirements.
- The potential for evidence to be disallowed in a Court proceeding because:
 - The Police Department could not establish a complete chain of custody due to erroneous, incomplete, or missing paperwork.
 - The evidence could not be produced.
 - The evidence could be challenged for cross contamination due to improper packaging, damage to packaging, or other storage concerns.

The control environment sets the tone of an organization, influences the control consciousness of employees, and provides the foundation for all other components of internal control. According to the American Institute of Certified Public Accountants, control environment factors include:

- Organizational structure.
- Integrity and ethical values.
- Commitment to competency.
- Management's philosophy and operating style.
- Assignment of authority and responsibility.

CONDITION: The Police Department has created the foundation for an adequate control environment. The Unit is organizationally separate from the areas responsible for generating the work that results in the impounding of property and evidence. This structure provides the Unit with the ability to carry out its required functions free from organizational influence. The Mission and Objectives of the Unit have been clearly articulated in the Operations Orders and the responsibilities have been outlined.

However, we found:

- 1. An organizational commitment to appropriate internal controls will improve the potential for the Property and Evidence Unit to achieve its objectives and reduce the risks associated with the handling of property and evidence.**

Management philosophy greatly impacts the internal control structure. Based on interviews, reviews of documentation, and internal inspection reports, the Unit will have a better chance to achieve its objectives if there is an organizational commitment to a strong control environment. For example, currently there is one established performance measure (a one-to-one ratio of property released to property impounded) and it has not been met in the last five years. In 1998, the ratio of released to impounded property was 85 percent. Between 1999 and 2003, the average ratio dropped to 60 percent. There is no indication that management has attempted to identify whether the performance measure is valid or if there is a systemic problem that precludes achievement of the goal.

Another example is the tracking of performance metrics. Each month, statistics on the percent of released items to impound items, number of letters sent to claimants, number of items impounded, number of items released, and number of correction notices is captured. During 2003, the number of letters sent to claimants averaged 57 per month compared to a reported average of 1,608 items released per month. According to Operations Orders, the Unit is to send letters to claimants within 10 days of property being released and to

finders if no one claims the "lost" property. There is no indication that management questioned the number of letters sent compared to the number of items released to determine whether or not the volume was appropriate.

Organizational commitment serves to ensure that risk is mitigated. However, for certain actions there is no indication that consideration was given to the risk. For example, when faced with changes, such as the elimination of the on-site incinerator that had been used to destroy biohazard materials, drugs, and drug paraphernalia, the response was to simply store the items. Management stated that they were holding the items until it became cost effective to transport them to a new location for burning. Other alternatives may have been explored, but there is little explanation other than lack of funding for the stockpile. We made inquiries at four surrounding municipalities and found that each had established routine methods for disposing of biohazard items such as blood draws and urine. At Scottsdale, however, disposal of such items is not routine.⁵

Another area that can mitigate risk is compliance with control activities such as policies and procedures. Operations Orders place the responsibility for compliance with the Unit. However, compliance is not consistently enforced. For example, items are not routinely rejected when paperwork or packaging does not meet requirements. Similarly, requirements for periodic reviews of Invoices are not routinely scheduled. When compliance with requirements set in the General Orders is not consistently enforced, actions can set the tone that procedures are not important.

Storage facilities are not kept in a clean and orderly fashion and the Unit Manager has elected to retain items approved for release and property of prisoners and transients, impounded for safekeeping, longer than the timeframe for disposal set in the Operations Orders. When Unit management allows requirements set out in Operations Orders to be ignored, the tone is set that non-compliance with established procedures is acceptable.

Finally, risk is mitigated through appropriate accountability. Past practice, however, has resulted in a situation in which there is no means for establishing the population of Invoices to ensure that each Invoice can be accounted for. Unit Management has not implemented a sequential, unique identifier for each Invoice and computerized records are not accurate.

⁵ Initially, we were told that no destruction of biohazard materials had occurred since 2001. A note on one of the monthly reports indicates that a "bio burn" occurred in March 2003 and the database reflects numerous items "destroyed" with various dates through 2004. Records are such that we could not tell how much, if any, was destroyed in March and how many instances in which "destroyed" was entered into the database, but the items were simply stored on site.

2. A commitment to training, on-going educational opportunities, and adequate funding will improve the control environment.

The level of training and competency of staff impacts the control environment. Unit staff reported that requests for training have not been supported, there is no mention of continuing education in the Operations Orders, and job descriptions are silent on the need for certifications or on-going participation in professional organizations. We obtained the 2003/2004 approved budget for the Unit and verified that there is no funding source for training (out of town or same day) or educational supplies. Correspondingly, there are no funds for subscriptions or memberships in professional organizations. According to staff, training basically consists of "on-the-job" opportunities when new staff is hired.

We obtained the job description for the Unit Manager and the Unit Custodian (now referred to as a Technician). The job description for the Unit Manager does not address the need to maintain current knowledge of trends, does not require professional credentials, and is silent on the requirement to participate in professional organizations that provide access to information regarding changes in federal or state regulations. There is no requirement for secondary education, college coursework, or other training to provide the skills necessary for a management level position. For the Custodians, similar language is also missing.

Finally, the Unit does not have a Property and Evidence manual that can be used as a training tool, used to provide instruction to the Transitional Officers who supplement staffing in the Unit, or used as a reference tool when Custodians need to deal with unique circumstances. The Operations Orders do not satisfy the need for a Unit Manual because the directives outlined serve as high-level guidance. Routine practices such as the filing system used for the Invoices, the process used to receive and release evidence (i.e., date, time stamp, and initial the Invoice), or the method used to store the property is not documented.

CAUSE: Management focus on other priorities.

EFFECT: Without an adequate control environment, there is limited assurance that the Unit will achieve its objectives.

Without an accurate computerized record that lists all items held by type and by Impounding Officer, routine administrative tasks such as scheduling reviews become overly burdensome because the work necessary to enable the review is overwhelming. To identify Invoices by Officer or Detective, a manual search must be done through files kept by year and then by DR number. The same would hold true if it were necessary to identify all the guns,

money, or drugs that should be in the Property Room. As a result, it would be difficult to undertake an inventory of these high-risk items.

The environment has also created a situation that will require significant manpower to research Invoices and determine if there is a need to continue to hold the item. When Officers and Detectives aren't required to review Invoices on the schedule set in General Orders so that a timely resolution could be achieved, the volume of items that need to be reviewed grows. As the length of time between impound and review grows, so does the chance that the Impounding Officer or Detective leaves employment or the owner or claimant moves, creating a situation in which there would be no current address to send notices. Extended periods of time between impound and review may also increase the possibility for items to be lost or damaged. Because the volume of property held continues to grow, the Unit has been forced to find alternative storage space. This results in inefficiencies because additional staff time is required to move property between the Property Room and the satellite facilities and retrieve items if needed. It also means that the City has incurred additional cost to provide these remote sites.

For items of value such as computer components, cellular phones, TVs, etc., the length of time impounded directly impacts the value of the item. For a claimant, each day the item is held beyond when it is actually needed deprives the individual of the use of the property. For unclaimed items, each day that the property sits in the Property Room reduces the value that might be obtained through dollars received at auction or use of the item by a charitable entity. This is particularly true with electronic components that lose significant value simply because rapid changes in technology make equipment obsolete.

When unclaimed money sits in the Property Room instead of being placed with the City Treasurer, the risk increases that the money may be misplaced, lost, or misdirected.

Examples of the impact of decisions made by management includes:

- More than 2,000 guns awaiting final resolution for the appropriate disposition.
- No destruction of narcotics or other drugs impounded by the Police Department since April 1, 2001. Information was not readily available to determine the volume of drugs and/or drug paraphernalia approved for release but being held for destruction. There is no easy way to determine how much could be authorized for release if a stringent review of Invoices was completed.
- More than 800 items with a "found" code still reflected on RMS as held even though the required holding period has been satisfied.

- More than 1,300 instances in which Arizona driver's licenses, identification cards, and license plates/covers are being held awaiting final disposition.
- More than 300 instances in which blood draws have been released by the City Prosecutor and are still reflected on RMS as waiting for disposition. This number reflects only one category of offense on one of two databases. It also only reflects the number in which a formal release was generated and does not include cases in which the City Prosecutor declined to pursue.
- Blood and urine, released for disposal, held in boxes in the old incinerator room because staff is waiting to amass a sufficient quantity of items to justify transporting the materials to a mining facility for smelting.
- Approximately 20 guns with a chain of custody note to indicate that the weapon was checked out for Court but never returned to the Property Room.
- Multiple instances where Unit staff declared an item to be disposed of simply because the item was not returned or could not be located.

The pictures below show conditions found during the audit.



An auxiliary area used for the storage of guns and other evidence. In all, we found 2,300 guns in various storage areas.



A mobile storage unit used to store drugs. According to Standards, no other items are to be impounded in the same storage area to avoid cross contamination and exposure to fumes.



An outside, fenced area for storage.



An off-site storage facility.



An area used to impound bicycles. Items stored in this area are a combination of found, safekeeping, or abandoned bikes as well as those seized for evidence.



The incinerator room, which has been used to store items in lieu of actual disposal.



An off-site storage locker.

This box contains evidence for a DR related to possession of a regulated substance and includes photos, large quantities of over-the-counter medications, and cans of formula. The case dates back to June of 2002 and RMS shows a status of "adult arraignment."



This is another locker at the same off-site location as above. This storage locker is not temperature controlled and at one point during our audit, it rained and water ran under the door making the bottom of the boxes, near the front, wet. Items impounded here include various computer items that are not sealed or packaged, a baby crib (according to RMS, this item was impounded for a death investigation), at least one bicycle (held for a homicide investigation), and various other boxes and bags. Property also includes items described as "antique" (held for an inactive burglary case dating back to June 2002), audiotapes for an uncleared investigation dating back to 2001, a laptop, two Playstations, various ammunition, a digital camera, currency, jewelry, and a found bag of golf clubs from 2001.

OBJECTIVE TWO

Determine if the Property and Evidence Room complies with appropriate standards for the care and custody of property, City regulations, and State requirements.

FINDING: Improvements will help bring Property and Evidence Room operations into compliance with appropriate standards for the care and custody of property.

CRITERIA: Property and Evidence Room operations should comply with appropriate standards.⁶ At a minimum, all Commission on Accreditation for Law Enforcement Agencies (CALEA) Standards should be adopted and followed. To ensure appropriate care and custody of property and evidence, policies and procedures should be sufficient to ensure that all standards promoted by the International Association for Property and Evidence (IAPE) are covered regardless of whether or not the Police Department formally adopts these standards.

CONDITION: The Scottsdale Police Department has incorporated CALEA Standards into the General Orders:

- Written directives include many of the recommended elements:
 - Property and evidence is to be impounded by end of the employee's shift.
 - Guidelines for packaging are set out.
 - Instructions clearly state that the Property Custodians are to attempt to locate current addresses and proper identification of owners.
 - Safeguards have been incorporated for high-risk items.
 - Procedures address temporary storage and the final release of items.
- Property and evidence is to be stored within designated, secure areas and facilities to provide secure, temporary storage of items until they can be impounded in the Property Room.
- Access to the areas is to be restricted and the Unit is responsible for the maintenance of accurate records.
- Inspection, inventory, and audit requirements are set out.
- Unit objectives state that property, having no further evidentiary value, is to be disposed of within six months.

⁶ See Appendix B in the Background section for a discussion on CALEA Standards and those adopted by IAPE.

As well, perhaps by happenstance, the organizational structure of the Property and Evidence function mirrors what is suggested by IAPE. The Unit is organizationally segregated from the Uniform and Investigative Divisions, those areas making the decision to impound or release property.

Additionally, even though the Police Department has not formally adopted IAPE Standards, many procedures established in Operations Orders follow what has been suggested. For example, Operations Orders address:

- Querying serialized property to determine if the item is reported stolen.
- Listing high-risk property or items that require separate handling on different Invoices.
- Segregating firearms, currency, and narcotics.
- Not impounding perishables. If necessary, refrigerators and freezers are available, equipped with alarms, for perishable items that must be held.
- Reviewing Invoices in a timely manner.

During observations, we noted that the Property Room and off-site storage facilities are kept secure and access is restricted to Unit staff. Access to the Property Room by non-Unit personnel is not granted unless a staff person is available to supervise or monitor actions. Even cleaning personnel are only allowed into the area when Unit staff is present. The Property Room has been identified as a high-risk area and facility master keys do not even open the area.

For items such as firearms, drugs, currency, and jewelry, additional storage precautions have been taken. There is a separately controlled area known as the "vault" and a safe that is kept in this controlled area for currency, jewelry, and other items. Practice, according to the Unit Manager, is to change the combination when there is a staff change. For control against fire hazards, the main Property Room and auxiliary room have been outfitted with a sprinkler system. The area is also equipped with fire extinguishers.

However, while procedures limit access to Unit staff, current practice is not sufficient to adequately safeguard items held by the Unit. Each staff member is assigned a key ("fat key") that provides access to the Property Room and seven other storage areas. Keys that provide access to other separately keyed areas are stored in an accessible area within the Property Room. This means that Unit staff has access to certain, if not all storage locations, regardless of the time of day or required work schedule. With this situation, there is a risk that storage facilities could be accessed after hours or at other times without detection. Vulnerability to potential unauthorized access is compounded by the fact that some of these sites are located at privately owned storage facilities where it would not be unusual for other patrons of

these locations to regularly enter the premises at hours that do not coincide with the Property Room's business hours. It is also conceivable, if not likely, that missing items would not be detected for an extended period of time, possibly until the point in time that the specific item was needed for an action. As there is no apparent business need for 24 hours per day, 7 days per week access, this is a risk that could be reduced by eliminating the practice of issuing keys to staff.

As well, there are no procedures that prohibit individual staff from accessing drugs and other high-risk items while alone and no logs to track access to Property Room locations with high-risk items. Without at least a second individual being present, there is no way to corroborate that access to the high-risk items was limited to business purposes only and, without access logs, there is no record of who accessed high-risk items or items stored off-site if questions should arise. Compounding the risk is the fact that high-risk items such as drugs, guns, and money have been stored along with the general population of other impounded items.

During observations and testing, we found many instances in which directives, established to provide assurance of compliance with standards, are not followed. Unit representatives, responsible for compliance, do not consistently reject Invoices or packages that fail to meet the requirements set out in General Orders. We found multiple instances in which:

- Items, required under General Orders, to be impounded separately, were listed on the same Invoice.
- Invoices were not filled out completely and when a line was left blank, there was no explanation.
- Descriptions such as "gold," "diamonds," and other specific terms were used instead of the required non-specific descriptors (i.e., yellow colored metal or clear stone).
- Money, over the \$200 limit that requires dual signatures across the seal, was accepted even though the standard was not met. From a random sample of 19 impounds over the limit, 12 did not comply. Of the 12, 1 dated back to 1986⁷ may have been impounded before the requirement was in place. Two of the exceptions, however, were as recent as 2004 and 5 were from 2003. We know this requirement was in place as of May 2002 because that is the last revised date reflected for this section of the General Orders.

⁷ The item impounded related to a murder case and the envelope, while in the safe, was not sealed with anything other than the normal adhesive used to seal the flap. Moreover, there was no indication on the Invoice that any review had occurred to determine if the funds still needed to be held.

When an Officer fails to release property, there are limited attempts by Unit staff to research and obtain appropriate approval for release. While the standard requiring timely review of Invoices had been incorporated into the General Orders, the Unit does not have a manual process that will result in the review as set out. Correspondingly, Unit staff stated that no efforts are undertaken to locate owner name and address if the information is not on the Invoice when the item is submitted for impound. Staff also confirmed that they do not follow up to obtain receipts when an item is checked out to an Officer for Court and not returned on the same day.

Interviews with staff and testing confirmed that items are held after approved for release. This happens because there is no systematic method to dispose of items. It also happens because the Unit Manager has made unilateral decisions to hold on to items that may be needed and keep property belonging to prisoners and transients indefinitely in case the person shows up to claim the property. A random sample of 50 open "found" items from the RMS database indicated 41 items were still being held. Of these, all exceeded the 30-day holding period established by City Ordinance as well as the 90-day time period established by State Statute. Four items dated back to 2001.

Unit staff has not destroyed guns, drugs, or drug paraphernalia since April 2001 and there have been limited steps taken to dispose of blood draws and urine samples. According to staff, this situation exists for many reasons. Prior Police Department Legal Advisors would not approve procedures proposed to destroy guns. Questions as to whether or not a vendor could be found to dispose of the blood draws and the decision to cease use of the incinerator are also among the reasons given for the situation. Regardless of the reason, the current situation means that the Police Department does not comply with standards incorporated into Operations Orders.

Because of issues with space in the Property Room, Unit staff moves stale items to off-site storage facilities. Procedures do not require the Case Officer, Supervisor, or other appropriate chain of command to affirm that the items still need to be held before committing the resources necessary to contract for off-site storage and move the items. In addition to this practice being costly and time consuming, it requires pre-arrangement if an item needs to be claimed, viewed, or available for some other purpose. For individuals with limited access to telephones or transportation, this may act as a deterrent to claim property.

Sufficient steps have not been taken to adequately safeguard and protect items. Bicycles and vehicles are stored in open storage areas exposed to sun and other environmental factors that would rot tires, seats, and result in rust to exposed parts. Storage facilities outside the Property Room do not have sufficient shelving to handle the items that are stored; creating a situation in

which items are stacked on top of other items. CPUs (Central Processing Units), monitors, printers, and other peripherals are stored without protection to prevent dust build up, potential exposure that would result in damage to data stored on hard drives, or accidental breakage of monitors. Procedures do not ensure that audiotapes, videotapes, computer storage media such as diskettes and photographic materials such as photos, digital storage media, and film are stored in locations that are temperature controlled and free from magnetic contamination or other factors that would render the evidence unusable. Finally, the mobile storage lockers, used for bulk quantities of marijuana, are not temperature controlled or vented. Moreover, other items are impounded in these storage lockers creating a situation in which the items absorb the odors associated with the marijuana.

Under current practice, property may be moved without updating the location on the Invoice or the database. There is no control log to establish an audit trail of Invoices or items to protect against situations in which documentation is lost. Procedures do not preclude release of the record copy of the Invoice creating a potential for loss of the document. Procedures do not address how to make changes to information on the Invoice if an error is made. Finally, there is no process that would provide reasonable assurance that information entered into computerized records is accurate.

Semi-annual inspections, unannounced inspections, and the annual audit recommended by standards appear to be completed but a standardized audit plan has not been developed to ensure that the level of review is sufficient to provide management with an accurate picture of current operations. The most recent inspection report, completed by the Forensic Services Division Manager in January 2004, reported a satisfactory response to all six elements considered in the inspection. The unannounced inspection and annual audit, completed by an individual not responsible for the property function, were completed in December 2003 and November 2003 respectively. Neither of these reports discussed any issues with the condition in which property was being stored, the fact that property is not being disposed of in the time frame set out in the Operations Orders, or the lack of timely review of impounded property to determine if items could be released.

Current practices do not ensure that currency, firearms, and narcotics will be stored in a secure, segregated manner. We found items of currency stored with the general population of items, firearms stored outside the secured area, marijuana stored in mobile storage trailers, and "white powdery substances" stored in the incinerator room awaiting destruction. Procedures do not require dual locks on the secure areas to ensure that two Custodians must be present when accessing high-risk items.

We found many standards, promulgated by IAPE as best practices, have not been addressed in General Orders and Operations Orders. For example, a standard promoted by IAPE suggests a requirement for approval prior to diverting unclaimed property for use. The Police Department has not addressed the conversion of items for use in either Operations Orders or General Orders. While we found evidence of approval in most instances, there is no consistency in the level of approval required and nothing that would preclude the release of an item without written authorization. For weapons released to the Crime Lab, requests were processed based on the authorization of the Forensic Services Division Manager (who also oversees the operations of the Unit) instead of the Administrative Services Bureau Director or other appropriate party. Invoices for the weapons transferred, did not indicate the circumstances surrounding how the City determined that ownership rights had been terminated so that there was a legal basis in diverting the property.

Moreover, there is no requirement for the maintenance of a master list, by Unit staff, to provide an audit trail when items are disposed of in this manner. We found that Invoices could not be relied on as the data source because there is no unique disposition code that can be used to track property diverted to use. It appears that the disposition code "escheated" had been used at various times in the past but we also noted use of the code "other."

If procedures established by City Ordinance had been followed when diverting these items to City use, forfeited or unclaimed weapons would have been transferred to the Warehouse for disposal once appropriate steps had been taken to terminate ownership rights. City Ordinance provides an option to convert forfeited property to City use and requires the issuance of a certificate of ownership transferring title to the City. This process would have created a centralized record of all conversions.⁸

IAPE standards also suggest timely, relevant training and the creation of a Property Manual that can be used as a training tool or a reference source. Operations Orders do not require the development or maintenance of a Manual that could be used for this purpose and we found no mention of continuing education and no centralized training offered for federal mandates such as the handling of biohazard materials. The information documented as Operations Orders is not sufficient to take the place of the Manual.

⁸ Police Department staff questioned the wisdom of transferring firearms to the Warehouse to wait for disposal due to concerns with controlled access. Accomplishing the intent of the control set out in Ordinance would not require an actual physical transfer of the item and could be accomplished through the provision of a list to the Warehouse and submittal of a request for conversion if the Police Department desired to keep any of the weapons.

IAPE suggests a control list of all Invoices accepted by the Property and Evidence function through the assignment of a unique control number of each Invoice that is presented and a control number to each item impounded. This process provides an audit trail for Invoices as well as the items impounded. There is no requirement, however, in Operations Orders for Invoices to be assigned a control number or for items to be tracked by unique sequential numbers. As a result, there is no way to know if an Invoice is missing and no means, other than a manual count, to determine the number of items impounded during the year. Moreover, with the current process, there is a great potential for duplication of item numbers. This situation exists because there is no control that would prevent the submission of one Invoice for a particular DR number with a sequencing of item numbers and another Invoice for the same DR being submitted at a later date using the same numeric sequencing.

CAUSE: Management focus on other priorities.

EFFECT: Adequate safeguards are not in place. Additional funds have been required to obtain off-site storage facilities and use of staff time is inefficient because staff time is needed to move items from the Property Room to other holding areas. Property owners may be denied the use of property because procedures do not result in the timely release of property and evidence. When items are not appropriately packaged, there is a risk of exposure when the evidence envelope is opened. Invoices may be lost without a means of identifying the documentation that is missing. This has created a situation in which there is no accurate record of what should be in the custody of the Unit because there is nothing that can be used to generate a list of all Invoices that should be accounted for. As a result, it would be next to impossible to determine that all items impounded by the Police Department were either still in the custody of the Police Department or disposed of according to legal requirements.

FINDING: Improvements are needed to ensure compliance with legal requirements for the handling of property and evidence.

CRITERIA: The handling of property and evidence should comply with Arizona Revised Statutes (ARS). Receipts should be given when property is impounded as a result of an arrest as well as when firearms are taken for safekeeping as a result of a domestic violence call. Reasonable efforts should be made to release property not needed and items of evidence are to be released within 30 days after the case is no longer subject to modification. Property should be held for 90 days after attempts to provide notice, before being declared "unclaimed," and proper notice should be made before disposing of unclaimed property.

- ARS, §13-120, requires that the Officer, taking property or money when arresting a defendant, prepare duplicate receipts specifying the type of property taken and the amount of money, if any. One copy is to be provided to the person from whom the property is taken and one copy is to be filed with the Police Department.
- ARS, §13-3601 C, requires the provision of a receipt when impounding firearms pursuant to a domestic violence concern.
- Rules of Criminal Procedure require the return of evidence, no longer needed, to the owner and ARS, §13-4429, requires law enforcement agencies to make reasonable efforts to return property to victims as soon as possible. As well, Rules of Criminal Procedure require disposition of evidence within 30 days after the determination that a case is no longer subject to modification.
- ARS mandates a process for the disposal of unclaimed evidence, items seized as being used unlawfully, and items coming into the possession of the Police Department as lost or contraband. Items must be unclaimed for 90 days prior to disposal. At the end of this period, items with a value of \$25 or less can be destroyed or given to charity. Another option is to convert an item to use, if it is useful to the Police Department. For property valued over \$25 and money, regardless of value, ARS, §12-943, requires a petition to the Court for approval prior to final disposition of the item. As part of the petition process, written notice is to be given to known owners and, if no owners are known or if addresses are unknown, then notice is to be given by publication, at least once, in a newspaper of general circulation.

CONDITION: Practices are such that there is little assurance of compliance with statutory requirements:

- Procedures do not ensure that evidence is released within 30 days after a case is no longer subject to modification and General Orders do not address the responsibility to send notice prior to disposing of evidence.
 - Procedures do not ensure that the Unit is informed promptly when evidence can be released and General Orders do not address the need for Officers to monitor situations in which property or evidence is impounded.
 - Unit Operations Orders do not address the hierarchy followed when releasing evidence. If the Unit receives an authorization to release property or evidence from the City Prosecutor, there is no guidance setting out the process to be followed or any other approvals that might be needed.

- Operations Orders do not address how to deal with situations in which the Impounding Officer or Case Officer is no longer available for review of Invoices.
- General Orders, requiring timely review of Invoices, are not followed and documentation is not kept to evidence any review that may occur. If an Officer reviews an Invoice and does not authorize release, there is no requirement to document the reason why the property or evidence should continue to be held.
- Invoices do not consistently include sufficient information to allow notice to be given when items are released and Unit staff does not undertake efforts to identify claimant name and address in order to provide this notice if the information is not listed on the Invoice.
- Once evidence is released, procedures within the Unit are not sufficient to ensure that items are disposed of in a timely manner. The Unit Manager has made unilateral decisions to hold evidence after release, such as audiotape recordings, just in case a request is made for the item. Other items of evidence, such as blood draws and contraband, have been held simply because the Police Department has not implemented a consistent process to dispose of the materials.
- There is no process to petition for approval to sell or otherwise dispose of unclaimed items and notice is not given prior to the final disposition.
- Officers do not provide receipts when property is impounded as a result of an arrest. According to interviews, property is listed on a booking sheet that is available, upon request, from Records and Analysis. This practice does not satisfy the requirement set out. Instead of providing a receipt at the time the property is seized, the practice requires the individual from whom the property was taken to take action. In addition, the booking sheet does not accompany the property when it is submitted to the Unit for impound, a requirement under State Statute.
- General Orders require, when taking a firearm(s) for safekeeping in response to a domestic violence situation, that the Officer leave a copy of the Invoice with the person from whom the firearm was taken. We could not verify that this occurs, as there is no requirement to obtain the signature of the individual who is to receive the copy of the Invoice. Moreover, there is no requirement for the Officer to note that a copy was left.

CAUSE: Lack of a process to periodically review statutory requirements and ensure that policies and procedures are in place to adhere to the mandates.

EFFECT: The City has not complied with statutory requirements for the disposal of property.

FINDING: Requirements set out in City Ordinance for the disposal of items have not been followed.

CRITERIA: According to City Ordinance, forfeited and unclaimed property is to be transferred to the Warehouse. As a condition of requesting forfeiture, the Unit is to prepare a listing of property, including serial number, and descriptive nomenclature. This list is to accompany items to the Warehouse. For unclaimed property, the Unit is to prepare a similar list with the same type of information and send this list when items are transferred.

City Ordinance, Section 23-36, states that sales or destruction of property and weapons are to be conducted by the Warehouse. Sale of property is to be at public auction and certificates of sale/ownership are to be provided to pass title to the purchaser if sold, or to the City if converted to City use. Funds, over and above the cost of sale and advertising, received as a result of the sale are to be deposited with the City Treasurer and retained in a separate fund for six months. At the end of this period, monies are to revert to the General Fund.

CONDITION: Unit staff makes the initial call as to whether or not unclaimed property and evidence has value and should, therefore, be transferred to the Warehouse for disposal. If a determination is made that an item has no value, it is destroyed. This is contrary to City Code as there is no provision that allows this determination to be made outside the purview of the Purchasing Division. Moreover, the practice is not documented in Operations Orders to provide consistency and set out the appropriate level of oversight.

City Ordinance requires preparation (and retention) of a list of the property to be transferred when sending unclaimed items to the Warehouse. This process is not set out in Operations Orders and Unit staff does not prepare the required lists. Instead, Operations Orders state that a copy of the Invoice will be attached to the item for the Warehouse records. This practice fails to consider the fact that the Invoice may contain sensitive information such as a description of the conditions under which the item came into the possession of the Police Department as well as claimant name, address, and date of birth (in some situations). While this information may be considered public information and available on request, there is no business need for Warehouse staff to have access to this type of information. Moreover, without the creation and retention of a list of items transferred, there is no audit trail that can be used to identify the volume, quantity, or type of items transferred.

Unclaimed property has not been sold at public auction as set out in City Ordinance. Instead, property is placed into lots and sold through an "Offer to Purchase," a process that allows buyers to submit written bids and the award of sale is made to the highest written offer. As well, bicycles have been donated to the "Handlebar Helper Program" and in at least one instance an

item was provided to City staff in furtherance of a program (i.e., "Bike to Work") instead of selling it at public auction. There is no provision in City Code to allow this method of disposal and no indication that other charitable organizations have had an opportunity to receive the same benefit.

"Certificates of Sale" and "Certificates of Ownership" are not provided when unclaimed property is sold or converted to City use or when items are offered to finders.⁹ These documents are required under City Ordinance to pass title of the property.

Proceeds, from the sale of unclaimed property, are not kept in a separate fund for the period established in City Ordinance before transferring to the General Fund.

CAUSE: Management decision.

EFFECT: Current practice does not adhere to City Ordinance. Moreover, the City is forgoing revenue that might be generated from the sale of items transferred to the Handlebar Helper Program and there is no mechanism to report the value of these items as support from the City for this particular program. Because there is no mechanism to solicit interested parties as a means of providing other organizations with the same opportunity to participate in the donations, the City may be perceived as providing more favorable treatment to one charitable venture. Finally, if a process exists to allow employees access to items outside the normal procedures, any controls put in place to monitor the program delivery may be circumvented.

When Unit staff has the ability to make decisions to dispose of items, there is no separation in duties between the custodial aspect of the Unit and the disposition process. Without appropriate segregation of duties, the same individual has access to the property, impound records, and the authority to declare the item worthless. Under circumstances such as this, it would be easy for someone to allege that Unit staff was able to benefit from the decision to declare an item worthless and then convert it to personal use.

FINDING: City Ordinance does not reflect statutory provisions for the forfeiture of tangible personal property.

CRITERIA: Circumstances in which tangible personal property is subject to forfeiture are set out statutorily. State Law (ARS, §13-3105) requires forfeiture, upon conviction of a felony in which the item was used, displayed, or

⁹ Unit staff stated that a certificate would be provided if the item had a serial number. This practice is not documented in Operations Orders and we could not test the consistency in which the practice is followed.

unlawfully possessed of, deadly weapons, dangerous instruments, and explosives. In certain other cases, the Court has the latitude to order the weapon, dangerous instrument, or explosive forfeited.

Forfeiture of property and money, under other conditions, is addressed in ARS, Chapter 39, §13-4301, *et seq.* This statutory provision is used to petition for the forfeiture of property under conditions such as unlawful acts like the possession of marijuana for sale or property and activities that would fall under the Racketeer Influenced and Corrupt Organizations (RICO) Act.

CONDITION: City Ordinance includes provisions governing the disposal of spirituous liquor, weapons, dangerous instruments, or explosives and property used in the commission of a crime. However, City Ordinance, Sections 23-32, 23-33, and 23-34, do not reflect statutory provisions and in some instances, specifically call for disposal of personal property in situations that are not supported by State Law:

- City Ordinance, §23-32, states that spirituous liquor seized pursuant to a violation of any ARS or City Ordinance is to be destroyed 60 days following the conviction of the person for the violation. We could not find any language in State Law that would allow the City to destroy property that is not inherently illegal to possess unless there was a Court ordered forfeiture.
- City Ordinance, §23-33, sets out the process to seek forfeiture of weapons, dangerous instruments, and explosives.
 - Requires notice and publication before disposal, but this process is not required if the item is forfeited under Court Order per ARS, §13-3105.
 - Contrary to statutory provisions, there is no requirement to petition the Court and give notice prior to declaring weapons and other dangerous instruments to be forfeited. If the item was seized or confiscated and the individual is found guilty of a misdemeanor, it is to be returned. If there is no owner or lawful claimant, the item is simply considered forfeited without obtaining Court approval or publishing notice.
- City Ordinance, §23-34, sets out a requirement for the forfeiture of personal property seized, confiscated, or impounded upon the conviction of the person for the violation of any felony or misdemeanor specified in ARS, Title 13. In order for this provision to meet statutory requirements, the assumption would have to be made that every violation in which there was a conviction would meet the criteria necessary to compel forfeiture under ARS, Chapter 39. This assumption cannot be made because there are many violations that would not meet the criteria for forfeiture.
- City Ordinance and Operations Orders for the Unit conflict with ARS provisions setting out a 90-day time period for property to be held, after

reasonable attempts to locate and notify the owner, before items can be declared unclaimed.

CAUSE: Lack of a process to periodically review City Ordinance to ensure that any out-dated sections are addressed and submitted to City Council for review and approval.

EFFECT: The City is exposed to potential claims that property disposal failed to adhere to legal requirements.

FINDING: Improvements are needed to ensure compliance with safety requirements set out in federal regulations for employers with employees exposed to potentially biohazard materials.

CRITERIA: Federal regulations codified in Code of Federal Regulations (CFR), 1019.1030, mandate certain actions for employers that have employees who may face occupational exposure to blood or other potentially infectious materials. Specifically, the employer must establish a written Exposure Control Plan (Exposure Plan) that includes a determination of all job classifications in which all employees have occupational exposure, a list of job classifications where some employees have occupational exposure, and a list of tasks and procedures in which occupational exposure exists. Employees who have occupational exposure are to be provided facilities and materials that can be used to protect against exposure, receive training on the proper handling of potentially hazardous materials to reduce exposure, and be provided with access to medical care and preventative care such as Hepatitis vaccines. Employers are to ensure that employees receive appropriate training at the time of initial assignment and the Hepatitis B vaccination (if requested) within 10 days of receiving training.

CONDITION: The required Exposure Plan is documented in the "City of Scottsdale Health and Safety Plan" (Plan) prepared by the Risk Management Division of the Financial Services Department. According to the Plan, the Exposure Plan was last reviewed and updated February 2002.

The Exposure Plan sets out a requirement for at least an annual review, including the Division work practices section, or more frequent reviews and updates if needed to reflect new or modified tasks or employee positions. As well, the Exposure Plan requires an annual survey of employees identified as being potentially exposed to needles and a process to consult with these employees on methods that could prevent occupational needle stick exposures. According to the Exposure Plan, exposure determination is to be made without regard to use of personal protective equipment and is to include a list that includes all job classifications in which all employees in those job classifications are exposed, a list in which some employees have occupational

exposure, and a list that includes all tasks and procedures in which there is potential exposure that are performed by the employees included in the first two lists. It should be noted that the Exposure Plan discusses exposure determination but does not include the actual lists that are set out. The Exposure Plan discusses methods of compliance, personal protective equipment, housekeeping, vaccination, communication to employees, information and training, recordkeeping, and other similar types of information.

Risk Management Division staff provided a copy of a document titled, "Exposure Determination by Job Classification," with a revised date of March 2004. Job classifications include "Police Property Evidence Manager" and "Police Property Evidence Custodian" and lists tasks for "handling evidence" and "cleaning/decontamination of work surfaces." The document does not include job classifications within the Purchasing Division.

According to Risk Management Division staff (and the Exposure Plan) all employees with occupational exposure are to be provided training at the initial assignment and at least annually thereafter. The Risk Management Director stated that it was the responsibility of the work area management to ensure that employees receive training and that training records are to be kept at the Department/Division level with a copy of training logs sent to Risk Management. Risk Management Division staff also reported that new staff attend an employee orientation at which time they receive information regarding access to vaccinations and can accept or decline the vaccination. The form used to document the acceptance or declination states that an employee can choose to decline the vaccination at one point in time but choose at a later date to receive it. Signed forms are sent to Risk Management where the form and receipt of vaccinations is tracked by Risk Management staff. Practice is to periodically review records to identify employees who requested the vaccination and did not receive it or did not complete the series of vaccinations.

At the Police Department level, staff in the Forensic Services Division track required training as it relates to occupational exposure for all staff assigned to this Division (and, therefore, the Unit staff as this area falls under this Division). Unit staff reported that once a year they will be told that it is time for them to watch the video related to handling potential biohazard items and will schedule this, as time is available.

To determine that the procedures in place were sufficient, we obtained the start dates of employees assigned to the Unit and picked the employee with the most recent date of employment (January 12, 2004). Risk Management staff was able to provide a copy of the vaccination form signed by the employee which indicated that the employee requested to receive the vaccination. As of March 22, 2004, however, the employee had not received

the vaccination. The employee stated that he had not been provided time away from job duties to get the vaccination. In addition, the employee did not receive any training until March 12, 2004. Risk Management staff agreed that procedures were not sufficient to identify, in a timely manner, situations in which employees requested vaccinations and did not receive them. They also agreed that procedures were not in place to identify situations in which new employees did not receive training prior to assignment. Finally, Risk Management staff acknowledged that they have not reviewed work practices for the Unit, the training currently being given, or conducted the required annual interviews to ensure that work practices are sufficient to reduce exposure, identify other training opportunities, or consult with staff on better ways to reduce needle stick exposure.

Operations Orders for the Unit contain limited instructions regarding safety. The information listed was not specific to the handling of potentially biohazard materials and is silent on the materials provided to employees to reduce exposure (staff are instructed to always wear disposable latex gloves). There is no mention of the City's Exposure Plan or how staff can obtain a copy of the document. Moreover, there are requirements outlined in the Exposure Plan that are not listed in the Operations Orders (i.e., the Exposure Plan states that a written schedule is to be developed to ensure cleaning and method of decontamination but there is no discussion in the Operations Orders outlining the need to clean work surfaces or the tasks and procedures to be undertaken).

We interviewed staff in the Purchasing Division responsible for the disposal of unclaimed evidence and they stated that they have not received training on handling potentially biohazard materials and they are not provided materials necessary to reduce exposure. Under current practice, however, they have a potential to be exposed to similar conditions faced by Unit staff because envelopes and packages are not opened and reviewed by Unit staff prior to sending unclaimed items to the Warehouse. As a result, Purchasing Division staff is placed in a position that requires opening an envelope or package without knowing the condition of the items contained therein. Staff also reported that they receive items that must be sorted through to separate out what can be sold and identify materials that are not appropriate for sale.

CAUSE: Inadequate procedures, including no process that:

- Checks, in a timely manner, if new employees receive the opportunity to obtain vaccinations within 10 days of initial assignment.
- Ensures that new employees received appropriate training prior to initial assignment.
- Ensures that the Exposure Plan is updated at least annually or more often if needed.

- Ensures that Risk Management staff review, on an annual basis, the work practices of the Unit to ensure that sufficient steps have been taken to mitigate risk of exposure.
- Ensures that Risk Management staff or other appropriate management level staff reviews Operations Orders to ensure that the work practices outlined in these Orders are sufficient to adhere to what has been set out in the Exposure Plan.
- Rotates the type of training provided to employees to provide an opportunity for staff to pose questions to instructors or raise issues.
- Centralizes the tracking of training to ensure that Departments/Divisions comply with the mandated training schedules.

The Risk Management Director stated that available resources and staff time were at a premium and providing more training opportunities is sometimes an issue because of other priorities. He also stated that he was waiting for resources to become available to develop a process in which training could be tracked through Scottsdale University.¹⁰ The Forensic Services Division Manager also stated that he had not been able to secure the funding needed to provide better training opportunities.

EFFECT: Staff may be exposed to hazardous materials without the prerequisite knowledge or preventative materials that would reduce the risk associated with exposure.

¹⁰ Scottsdale University refers to the City's corporate training program.

OBJECTIVE THREE

Determine if improvements are possible to better manage the items that come into the possession of the Property and Evidence Room.

FINDING: The operational efficiency and effectiveness of the Property and Evidence function could be improved.

CRITERIA: The operation of the Property and Evidence function should be structured in a manner that ensures resources are acquired, protected, and used in an effective and efficient manner. City employees act in a fiduciary capacity and have a responsibility to use personnel, space, and property in the most economical and efficient manner possible while continuing to achieve the objectives set out.

Redesigning the Invoice and automating the process of completing the document would improve the efficiency and effectiveness of the Property and Evidence function.

CONDITION: The Invoice used to track property and evidence has undergone various changes over the past several decades (last revision was December 2002) but the document continues to be paper-driven. The Invoice is currently a four page carbonless form that provides space on the front for limited information regarding the claimant and the circumstances surrounding the impound and then space for recording four different items. The back of the first page contains space for recording the chain of custody and item disposition. While it is only possible to list four items on the Invoice, the back disposition space contains lines for nine items but no space to capture the printed name and address of the person receiving the item.

The three copies of the Invoice are used as follows:

- The yellow copy is sent to Records and Analysis for data entry after the Unit receives the property or evidence.
- The pink copy is sent to the Investigative Services Division for the assignment of Case Officer information.
- The gold copy is used as a receipt or as a tracking copy when evidence is sent to the Crime Lab for testing.

Because the form has been designed as "one size fits all," it takes both sides of the document to capture all required information for an item. This means that both sides need to be retained for a complete record even when the only entry on the backside may be a date, disposition code, and employee initials.

When the document is used for items that do not require maintenance of a chain of custody (i.e., items turned in as found or items submitted for destruction) the additional cost required to print a two-sided document is unnecessary.

With the current design, a significant amount of space on the front page is taken up with information that is not needed (i.e., a list of property classifications) or temporary information such as where the item was placed by the Impounding Officer. Conversely, the amount of space designated for name and address of the claimant or finder is such that it would be difficult to fit the full name and address information and there is virtually no space for inclusion of instructions for release of evidence.

Because efforts have not been undertaken to modify the form to an on-line document, it must be completed manually (by hand or other device). Often handwriting is not legible creating the need to decipher the names of claimants and Officers as well as descriptions, dates, and codes that appear on the Invoices. Development of an on-line form would eliminate issues with interpreting an individual's handwriting and provide the opportunity to cut and paste repetitive information such as Impounding Officer and claimant information when a large number of items are impounded from the same individual. If Invoices were completed in an automated format, they could be routed for review, assignment of Case Officer information, or other uses without the need to send a paper document. Moreover, it would be conceivable that the computerized impound databases could be populated directly from the completed Invoices, resulting in saving the effort that it would normally take to manually input the information.

CAUSE: There is no mechanism for periodically assessing the Property Invoice form for potential improvements in light of usage, problems encountered, and available technology.

EFFECT: The City is consuming resources that are not needed to generate two-sided forms and multiple copies of documents. In some instances, the significant information is lost because handwriting is illegible. In addition, more time is spent performing data entry and gathering Invoices for microfiche than would be required if an automated version of the Invoice could be developed and implemented.

Development and implementation of a reliable, accurate computerized tracking system could improve efficiency and effectiveness by eliminating resource intensive manual processes while at the same time providing management with more timely, accurate information on performance statistics.

CONDITION: The Unit does not have the ability to produce reliable, accurate computer generated reports and must, therefore, use valuable personnel time to carry out manual processes such as recording the count of items impounded and sorting through the original Invoices to set aside records for review. The Unit cannot produce reliable reports that could be used to determine the volume of evidence, found, or safekeeping property impounded during any set time period as a means of projecting future staffing needs. In addition, computer generated reports are not available for use as a resource for performing periodic audits, identifying classifications of property that should be reviewed, or providing information to management about the types of property awaiting disposition.

CAUSE: Management decision and focus on other priorities. The Forensic Services Division Manager stated that ensuring that the hardcopy Invoice can be produced is more of a priority than maintaining computerized records. Management sets the tone within an organization. Without management emphasis on the need for accurate computerized records, staff will not spend the time necessary to identify and correct situations that contribute to inaccurate records.

Procedures currently in place do not facilitate the maintenance of an accurate computerized record.

1. Invoices are not assigned a unique identifying number that could be used to establish a numeric sequencing needed for an adequate audit trail. As a result, there is no means to ensure that all Invoices are submitted for data entry.
2. Using the DR number as the only tracking number for Invoices creates a situation in which multiple Invoices for the same DR may be presented for data entry on the same day. While there is a space on the Invoice for the submitting Officer to indicate the number of pages submitted, this data is not consistently inserted. As a result, staff responsible for data entry would not be able to verify that they received a copy of each Invoice submitted for a particular DR.
3. There is no quality assurance process that checks information keyed into RMS or the Access database used to track property and evidence impounded prior to 2001. As a result, data entry errors are not identified in a timely manner for correction.

4. A data dictionary has not been developed to provide consistency when entering descriptive information (i.e., use of firearm instead of gun, brn for brown, etc.) and there is no consistent manner in which quantity is listed (i.e., always before description of the item or always after the description).
5. A process has not been developed for recording the disposition of individual items that were impounded on an Invoice with other items that have not yet been disposed of. Currently, dispositions are not recorded unless all items on an Invoice page have been disposed of.
6. There is no procedure in place to ensure that computerized records reflect the current location of impounded items. The initial location of property is recorded on computerized records but the item may be moved, creating a situation in which computerized records reflect stale information.
7. Vehicle Invoices are not input into computerized records so they could be tracked in the same manner as non-vehicle Invoices.

EFFECT: Resources are spent performing menial tasks that could be eliminated with the development and implementation of an accurate, reliable computerized record of impounded property and evidence. Efficiency and effectiveness suffers because staff have to look through paper records to identify situations that need review, keep manual counts of items impounded for management reports, and look through piles of paper documents to find an Invoice. Routine tasks such as sending letters to claimants take more time than necessary because there is no easy way to create a report of Invoices meeting certain criteria.

Development and implementation of a specialized form for accepting items turned in for disposal would facilitate the final resolution of the item and serve to protect the City against future claims.

CONDITION: The Police Department accepts items such as weapons, ammunition, and other similar items for destruction when an individual decides that they do not want to keep them. Historical practice has been to record the receipt of the item on the same form used to record the impounding of items of evidence and other property. This form, however, is not structured so that appropriate information will be captured when the property is submitted. There is no space on the form to capture the signature of the person submitting the item or the identification of the person making the submission. In addition, the form does not contain language that asks for permission to convert the item to City use or allow the donation of the item to a museum or other police agency. More importantly, the form does not require the individual turning the item in to certify that they are the rightful owner of the item with the appropriate authority to turn the item in for destruction.

CAUSE: Management focus on other priorities. Lack of training or time needed to pursue changes in the way things are done.

EFFECT: An item could be turned in for destruction by a person who does not have ownership rights, effectively placing the City at risk of a claim that items were destroyed without taking appropriate steps to verify ownership. Moreover, if the City chose to convert an item to use or consider the item appropriate for a museum or other donation without obtaining prior approval, an allegation could be raised that the City did not have the appropriate documentation to support this action.

Finally, because the Police Department does not recognize the difference between items turned in for destruction and other classifications of property held by the Unit, items turned in for destruction have been held while other issues such as the legal steps to terminate ownership rights are resolved. Acknowledging the right of an owner to turn an item in for destruction and setting up a separate process would allow these items to move quickly through the system and not linger in the Property Room.

Development and implementation of a receipt that could be provided to a claimant or a finder could facilitate the return of items and increase the efficiency of the Unit.

CONDITION: As discussed in Objective 2 of this report, current procedures are such that an individual is not provided a receipt when items are impounded at the time of arrest, when weapons are taken into temporary custody, or when a finder turns in an item. If any documentation is provided, the Officer may give the claimant a copy of the Invoice. This document, however, was not developed to serve as a receipt. It does not provide the claimant or finder with relevant information such as how long the City may hold the item, names and phone numbers of individuals who can answer questions about the release of items, or the address where the property can be picked up. For individuals arrested, no document is provided to inform the claimant that a personal representative can be sent to claim items or the length of time property will be held.

Moreover, because there is no form that serves this purpose, the City does not capture the signature of the person from whom the property is taken to evidence that a receipt is provided as required in State Statute.

CAUSE: Management focus on other priorities.

EFFECT: The City does not provide individuals with basic information that could facilitate the return of items taken during arrest or for temporary care.

For finders who turn in items, no information is given to outline the parameters under which property will be offered to the finder.

Identifying and eliminating impediments to releasing property and evidence in a timely manner could help reduce the demand on Unit manpower as well as reduce the need for additional storage space.

CONDITION: Property and evidence is not released according to statutory requirements or time limits set in Operations Orders. Throughout the audit, numerous instances were found in which property was held beyond the point at which it could have and should have been released. Many of these instances are referenced in Objective 2 of this report.

CAUSE:

1. Management decision to:
 - a. Retain certain classifications of property beyond the required holding period.
 - b. Retain evidence even though authorization for release has been received.
2. Failure of Unit staff to follow through and dispose of items after receiving authorization for release.
3. Lack of accurate, reliable computerized records that could be used to facilitate identification of evidence meeting criteria set in General Orders for periodic reviews.
4. No requirement for Impounding Officers to respond affirmatively as to why items should continue to be held.
5. Criteria set in General Orders for review is based on length of time held instead of the classification of the offense. This means that lesser misdemeanor offenses that could be cleared out are not addressed in a timely manner.
6. Inaction by management to research and resolve issues preventing the timely disposal of:
 - a. Potentially biohazard materials, such as blood draws and urine samples, and to escalate concerns regarding adequate funding.
 - b. Drugs and drug paraphernalia and to escalate concerns regarding adequate funding when necessary.
 - c. Firearms and other dangerous weapons.

7. No effective policy that results in the release of evidence by using photographs, video recordings, and other methods that would preserve the record but not require retention of the actual item.
8. Ineffective (or lack of) communication between the Police Department and the City Prosecutor on the need to retain evidence, the required form of evidence, and the party responsible for releasing evidence.
9. No established hierarchy for the release of evidence and the process to be followed when the City Prosecutor declines to pursue a complaint.
10. Lack of a form or procedure to expedite the disposition of items turned in by their owner specifically for destruction.
11. No administrative process that provides Unit management with the ability to escalate the review of evidence when the Impounding Officer or supervisor is not able or willing to authorize release of an item.

EFFECT: The Unit fails to meet objectives for the function. Moreover, there is a potential for rightful owners to be deprived of the use of property when there is no systematic process to release unneeded evidence in a timely manner.

Because release of property and evidence does not keep up with or exceed the volume impounded, the Unit has ran out of on-site storage space. As a result, City resources have been spent acquiring additional storage space, and staff time is consumed moving stale items to off-site facilities and retrieving those items when necessary.

Development of a storage methodology that segregates lost, found, abandoned, and safekeeping items from impounds of evidence could facilitate identification of items and enhance the ability of staff to retrieve items.

CONDITION: Current storage methodology results in the commingling of property and evidence. While items will be packaged separately, property and evidence will be stored where space is available.

CAUSE: Volume held by the Unit has exceeded space available, effectively limiting the ability for staff to implement more effective storage methodologies.

EFFECT: Unit management cannot gauge the level of found, lost, abandoned, or safekeeping items awaiting disposal because the items are stored with evidence.

Development and monitoring of appropriate performance measures could improve efficiency and effectiveness while providing management with timely, relevant information with which to gauge the Unit's ability to achieve goals and objectives.

CONDITION: The Unit tracks five performance measures. These are:

1. Items released relative to items impounded.
2. Number of letters sent to claimants.
3. Number of items impounded.
4. Number of items released.
5. Number of corrective action request memos sent.

Each of these measures, while interesting statistics, provides management with little insight into the actual performance of the Unit. Some measures are even beyond the control of the Unit, while others are more an indication of the performance of the areas responsible for impounding property. Finally, others provide no insight into the Unit's performance because it is impossible to know whether or not the quantity reported is good or bad since there is no way to determine the "correct" level of activity in the first place.

CAUSE: Management focus on other priorities.

EFFECT: The Police Department has little insight into the historical trends associated with the operations of a property and evidence function. There are many measures that would provide management with better trend data, such as: the quantity of evidence, lost/found/safekeeping items impounded per month; the average time between date acquired and date impounded; the average number of days an item remains impounded; the quantity of items impounded based on classification; the number of staff assigned per month and the volume of items handled per staff; and, the number of Invoices needing review compared to the number reviewed.

More relevant performance measures for the Unit would also provide management with insight into the actual operations. For example, Unit staff could report number of items authorized for release, the number needing a letter to a claimant, the percentage of letters sent according to requirements and the average time it took to dispose of the item. For items impounded as lost/found, similar measures could be tracked.

Eliminating the requirement to package and seal impounds of lost, found, abandoned, and safekeeping items could save time and resources, and reduce the amount of space needed to store certain types of property.

CONDITION: Non-evidentiary items are packaged and sealed at the point of impound creating a need for storage space based on the size of the package instead of the type of item impounded. When an item is packaged and sealed, Unit staff cannot verify serial numbers, determine if there is any information that would facilitate identification of the owner, or easily ascertain the condition of the item impounded.

Moreover, language in General Orders and Operations Orders is not sufficiently clear to distinguish when certain types of items are to be packaged in boxes and when other packaging can be used. For example, General Orders calls for weapons to be packaged in boxes but there is no definition of a "weapon."

CAUSE: General Orders state that all items of property will be properly packaged and all evidence will be properly sealed and initialed before impounding. As well, General Orders state that all weapons will be impounded in weapons boxes. Operations Orders for the Unit require that all items impounded must be packaged, sealed, taped, and initialed.

EFFECT: The packaging and sealing of items that will be held for a short length of time consumes resources. Moreover, requiring certain types of packaging, without regard to the actual shape or size of the impounded item, requires more storage space than may be needed.

Use of specialized packaging materials could improve the safeguarding of high-risk items such as currency and jewelry and facilitate storage of sensitive items.

CONDITION: Current practice calls for the use of an evidence envelope as the preferred packaging unless the item is too large or falls into one of several specialized categories (i.e., weapons, blood samples, etc.). The evidence envelopes currently in use are opaque, creating a situation in which a visual inspection cannot be made to determine the nature of the item impounded. There is no designated area on the envelope for a count of currency, creating a situation in which some individuals treat the different denominations of currency as separate items. Finally, packaging instructions in General Orders do not call out for the placement of evidence tape across the bottom seal of the envelope.

CAUSE: Management attempt to reduce costs associated with impound by using less costly materials and standardizing packaging to reduce staff time to stock materials.

EFFECT: Unit personnel must rely on the description on the envelope or package when determining the required handling for the item. This precludes a quick visual determination that the envelope contains items that need to be stored separately. Moreover, because evidence tape is not placed on the bottom seal there is a potential risk that the envelope could be opened and re-sealed without detection.

Development of detailed written procedures that are consistent among impacted Departments could improve efficiency and effectiveness by helping ensure that affected personnel are aware of their responsibilities and options and by helping ensure consistency in managing impounded items.

CONDITION: Applicable written Orders do not comprehensively address significant elements of the management of impounded items. For example, there is nothing that addresses when it is appropriate to alter Invoice information. Nor are there any procedures that set out the need to document who altered the information, the date it was altered, and the reason for the change. In addition, there is nothing in the Operations Orders that talks about unclaimed items that contain biohazard products and what to do with them. There is no indication whether these items should be put in a biohazard barrel, whether the impound envelope should be opened to assess how bad the contamination is, or whether the items should just be thrown away and if so, who makes the decision and what verifications are needed. Written Orders do not address what the standards are to prove ownership for the purpose of releasing impounded items to their owner.

Orders do not provide sufficient guidance in completing Invoices to allow accurate interpretations of what appears on the form or what the reasons are for leaving some fields blank. There is nothing that sets out common abbreviations that can be used and their meanings. Nor are there any requirements for providing an indication of whether certain fields were intentionally left blank, as opposed to just being overlooked. The methodology for using item numbers is also not addressed. During the audit, we noted that sometimes the Officer's badge number was used as a prefix in generating an item number but in other instances only a consecutive numbering scheme was used, and in other instances alpha characters were used in the item number.

Another significant process not addressed in the written Orders involves unclaimed items of value that are to be turned over to the Warehouse for

conversion to City use or sale. While Property Room Operations Orders indicate that Warehouse staff receiving the items will sign and date the applicable Invoices of all items they receive, there is no indication of the procedures that are to be followed by Property Room staff in turning over the items. There is nothing that addresses whether sealed envelopes or packaging is to be opened in order to verify that the contents match the item description listed on the Invoice. In actual practice, this does not occur. Moreover, there is nothing in the Orders that set out the procedure to be followed if the contents of the envelope are not present or do not match the description on the corresponding Invoice upon turning the items over to the Warehouse. Ensuring the continued existence of impounded items is fundamental to the Property and Evidence function, even if the items are unclaimed. Something this significant should be addressed in written procedures.

In some instances, applicable written Orders do not always reflect the actual practices employed within the Unit. For example, Operations Orders indicate that when property is released to Court, the Officer introducing the property into evidence is to obtain a receipt from the person at Court who takes possession of the property. However, during the audit, we found these receipts were not being obtained. The Unit Manager said that it was not practical for Officers to get receipts from Court officials when the trials were in session and it was not practical for the Officer to wait around for a break in the trial. However, no alternative processes were identified or implemented to record the Court or Court personnel that take possession of impounded evidence. As a result, there were numerous instances, during the audit, in which the Unit personnel could not even identify the Court at which evidence items were left.

Another example of written Orders not reflecting Unit practices involves the Operations Orders requirement for Unit personnel to return the property and Invoice to the Impounding Officer if the items are not impounded correctly or if the Invoices are not filled out correctly. Unit management explained that this is not being done because if it were, there would not be enough room in the property lockers where the returned items would be placed.

We also found instances in which Police Department written Orders were not consistent with one another. For example, General Orders provide a listing of specific items that are to be packaged separately when impounded and which are to have separate Invoices completed. However, the Unit Operations Orders only call for the items to be listed on separate Invoices with no indication that they are also to be packaged separately. Another example is where the General Orders indicate that in a detective's absence, their

supervisor will be responsible for authorizing the release of property but there is no corresponding indication in the Unit's Operations Orders.

In some instances, the Unit's Operations Orders conflict with other City established criteria. City Ordinance indicates that unclaimed forfeited weapons are to be sold at public auction or destroyed and that these items are to be transferred to the Warehouse for sale. Furthermore, City Ordinance provides that if the owner of a found or abandoned weapon cannot be located (within a 30-day period), the weapon is to be returned to the finder. However, Property Room Operations Orders only call for the destruction of unclaimed weapons and do not reference the option for these items to be transferred to the Warehouse for sale or turned over to a finder.

We also noted an instance where the Unit Operations Orders called for certain actions be taken by another City office without personnel in the other office being aware of it. The Operations Orders indicate that, in misdemeanor liquor impounds, the City Prosecutor will send a letter to the defendant advising that his attorney has 30 days to either view or have the Unit continue to hold the impounded liquor. However, the City Prosecutor was unaware of the content of these Orders.

These examples of shortcomings in the written procedures are not intended to be all-inclusive, but any regular or significant business process engaged in by the Unit should be addressed in detailed written procedures to ensure they are handled with consistency, according to the best identified practices, and in compliance with applicable authoritative requirements. Impacted offices should be consulted to ensure that assumptions made about their involvement and actions they will take are correct.

CAUSE: The lack of a process for regularly reviewing written Orders to ensure that they are current, complete, accurate, and that they comply with authoritative requirements.

EFFECT: Unit practices are inconsistent with written procedures, intended controls are not being implemented, and intended actions are not undertaken. In addition, personnel in the organization may not be aware of what is expected of them in managing impounded items.

Efficiency and effectiveness could be improved by ceasing the practice of sending unopened packages to the Warehouse for auction.

CONDITION: When unclaimed items are sent to the Warehouse for disposal, Unit staff does not open the packaging to verify that the items impounded agrees with what was listed on the Invoice.

CAUSE: Management decision.

EFFECT: Sending unclaimed items to the Warehouse without verification that the description matches the item(s) impounded, inserts another City work area into any issue that might be raised as to whether or not property or evidence was misappropriated or lost. The responsibility of the Police Department to ensure adequate safeguards are in place does not cease even if all appropriate steps have been taken to declare the item unclaimed. If Unit personnel do not inspect items and verify the condition and description prior to release, then it would be easy for someone to misplace an item and allege that the item was not in the package. As a result, impounded items may be more at risk for inappropriate diversion if there is a perception that accountability for the items is no longer important once the item is declared "unclaimed."

Moreover, the Property Room has already been identified as a work area with occupational exposure to blood and other potentially biohazard materials. The employees receive training and appropriate materials to handle spills and other exposures. If Unit staff do not open packages and verify that there is nothing that would create an occupational hazard or require specialized handling, then the Purchasing Division staff must be recognized as a work group with occupational exposure. This practice is not efficient and will require the expenditure of City resources to acquire the training and the materials needed to reduce the exposure.

Use of computerized records or an application such as Excel to develop a list of items being sent to auction and verifying the presence of these items prior to Warehouse pick up should increase efficiency and effectiveness by eliminating the need to make copies of Invoices. This process could also reduce the potential for sensitive information being disclosed beyond the point necessary.

CONDITION: Unit staff makes copies of Invoices for Warehouse personnel when items are ready to be sent for auction instead of providing the list as outlined in City Ordinance. To evidence that items are picked up, Warehouse staff sign the back of the original Invoice. There is, however, no process to

reconcile items received to the items listed on the Invoice when the Warehouse representative signs the document.

CAUSE: Management decision to reduce the effort put forth to send items for auction.

EFFECT: Warehouse personnel sign off on Invoices without verifying that the item was actually received. As well, items are sent to the Warehouse that cannot be matched to the copies of Invoices provided. More importantly, however, the copy of the Invoice provided in lieu of the list, contains sensitive information that should not be shared beyond the Police Department. When copies of Invoices are provided instead of a list, Unit staff has to take the time to make the copies and Warehouse staff has to include the copy on Retention Schedules or seek approval to destroy the document after completing the reconciliation. Because information may be considered private, any efforts to destroy the document must result in rendering the document unreadable.

It is not effective to rely on Warehouse personnel to verify that the contents of impound packages match Invoice documentation. At that point, the impounded items have already left the control of the Property Room. Once that occurs, it would be increasingly more difficult to narrow down the time and place at which an impounded item became missing. It would be much more efficient and effective for Unit personnel to identify any discrepancies between items present and their related Invoice descriptions prior to the items leaving the Unit's control.

SCOPE AND METHODOLOGY

This audit was conducted to achieve the following three objectives:

- Determine if the control environment is sufficient to ensure that property is received, stored, preserved, and maintained then appropriately disposed of.
- Determine if the Property and Evidence Room complies with appropriate standards for the care and custody of property, City regulations, and State requirements.
- Determine if improvements are possible to better manage the items that come into the possession of the Property and Evidence Room.

The audit scope was limited to the operations necessary to carry out the Property and Evidence function. Within this scope, we looked at the operations of the Unit, related activities carried out by other Police Department staff, operations carried out by the Purchasing Division to dispose of unclaimed items, the procedures followed by the City Cashier when depositing unclaimed funds, and the process used to deposit forfeited funds with the County Attorney. To obtain the scope of items reviewed, we used computerized records maintained by the Police Department to identify property and evidence that should be in the custody of the Unit. We also used property and evidence in custody at the time of audit work to test the accuracy of records. For the scope of items sent to auction or for deposit with the City Cashier, we limited testing to transactions since 2001.

Interviews were conducted with the Unit Manager, the Police Department's Legal Advisor, Administrative Services Bureau Director, Forensic Services Division Manager, the RICO Administrator, and representatives from the Records and Analysis and Investigative Services Divisions. Interviews were also conducted with the City Prosecutor and staff from the Financial Services Department (Purchasing, Accounting, and Risk Management). Neighboring municipalities provided comparative data regarding gun, narcotic, and biohazard disposal practices.

To determine if the Police Department complies with applicable standards, we analyzed the Department's General Orders and Property Room Operations Orders and compared the Orders to law enforcement standards established by CALEA and the IAPE. State Statutes and City Ordinances were reviewed to determine requirements for receipt and disposal of property and evidence. Federal regulations governing occupational exposure to bloodborne pathogens and potentially biohazard materials were reviewed as was the City's Health and Safety Plan.

For best practices related to the handling of property and evidence we obtained and read the following professional literature.

Robert Doran, "Evidence and Recovered Property: The Police Property Control Function," 2nd Edition, Public Management Press, ISBN 0-9636835-0-0.

Joseph Latta, "Property and Evidence by the Book: Everything You Ever Wanted to Know About the Management of a Property and Evidence Room," 1st Edition 2004, International Association of Property and Evidence.

"Standards for Law Enforcement Agencies," 4th Edition, November 2001, Commission on Accreditation for Law Enforcement Agencies.

Several tests were conducted to evaluate the reliability of the database and compliance with requirements. We inventoried guns that could be located as well as items in the safe and attempted to verify the items against records. We could not conduct an inventory of drugs because we could not establish a control list.

Audit work was conducted in accordance with generally accepted government auditing standards as they relate to expanded scope auditing in a local government environment and as required by Article III, Scottsdale Revised Code, Section 2-117, *et seq.* Audit testing took place between January and June 2004, with Stella Fusaro, Mary Modelski, Preson "Sonny" Phillips, Ramon Ramirez, and Eric Spivak conducting the work.

APPENDIX A

MANAGEMENT RESPONSES

Date: November 5, 2004
To: Ramon Ramirez, Senior Auditor
From: Monroe C. Warren, CPPPO, Purchasing Director
Subject: Response to Police Property Room Audit

We have examined your findings and recommendations concerning the Warehouse's handling of confiscate police property. We have found your audit to be beneficial in validating procedures and also pointing to areas for improvement.

Recommendation 1: Comply with City Ordinance and sell unclaimed property at public auction (when sale of the property is deemed appropriate).

Response: Disagree with the finding. Purchasing has always complied with the requirement of using competition to dispose of unclaimed property. The Procurement Code Section 2-209(C) allows the use of Offers to Purchase, (OFT). Clearly, the intent of this section is to use an open, competitive process to dispose of all unwanted city property. OFTs are such a process. We will recommend that Scottsdale Revised Code Section 23-36 be evaluated by the City Attorney's office.

Responsibility: Monroe C. Warren
Date of Implementation: April 2, 1990

Recommendation 2: Return any unopened impound packages to the Property Room so they can open and reconcile unclaimed items to their records prior to any Warehouse action.

Response: Agree with this finding.
Responsibility: Phil Murphy
Date of Implementation: November 2, 2004

Recommendation 3: Discontinue the practice of donating unclaimed property to charitable organizations until such time the City Ordinance is modified to allow this method of disposal.

Response: Agree with this finding.
Responsibility: Monroe C. Warren
Date of Implementation: October 1, 2004

Recommendation 4: Develop written procedures for the handling of unclaimed property converted to City use or provided to City employees for other use. At a minimum, the procedures should require written authorization from supervisors or managers to release the item to their employee, as well as Program Manager authorization if the item is to be provided in support of a City program.

Response: Agree with this finding.

Responsibility: Phil Murphy
Date of Implementation: December 31, 2004

Recommendation 5: Provide "Certificates of Sale/Ownership" to purchasers of unclaimed property as well as in instances when unclaimed property is converted to City use.

Response: We agree "Certificates of Sale/Ownership" need to be provided to purchasers of surplus/confiscated property. We will provide certificates listing everything offered in the original Offer to Purchase.

Responsibility: Phil Murphy
Date of Implementation: December 31, 2004

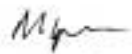
Recommendation 6: Ensure that the proceeds from the sale of unclaimed property, over and above the cost of sale and advertising, are deposited with the City Treasurer and retained in a separate fund for six months prior to being reverted to the General Fund.

Response: We agree that all funds being reverted to the General Fund must follow City Ordinance. We have recommended to the Police Department that they change Scottsdale Revised Code Section 23-36(b) to match current city requirements.

Responsibility: Monroe C. Warren
Date of Implementation: November 4, 2004


Monroe C. Warren, CPPD
Purchasing Director

November 11, 2004

To: Cheryl Barcala – City Auditor
Fr: Myron Kuklok - Risk Management Director 

Re: Risk Management Division Audit Recommendation Responses - Police
Department Property Room Audit

1. Ensure that the Exposure Plan is updated at least annually or more often if needed.

Response: Concur. Risk will document an annual review of the exposure control plan and make necessary changes. Risk will develop a system through Scottsdale University to ensure the exposure control plan is reviewed annually and documented.

Responsible Party: Paul McKee **Due Date:** 4/1/05

2. Ensure that Risk Management staff reviews, on an annual basis, the work practices of the Property Room (as well as other areas that have employees with occupational exposure) to ensure that sufficient steps have been taken to mitigate risk of exposure.

Response:
Concur. Risk has developed an annual review questionnaire for bloodborne pathogen administrators. Each applicable Division has a bloodborne pathogen administrator who is responsible for identifying work areas and jobs that require bloodborne training. The questionnaire for submission to administrators asks work unit Supervisors to update any jobs and tasks that need to be added to current lists. Risk will develop a system through Scottsdale University to ensure Property Room work practices are reviewed and documented annually. This process will include site visits and reconciliation reviews to ensure all Property Room work practices adhere to OSHA and safety regulations.

Responsible Party: Paul McKee **Due Date:** 4/1/05

3. Ensure that Risk Management staff review Property Room Operations Orders (as well as the written procedures of other areas that have employees with occupational exposure) to ensure that the work practices outlined in these Orders are sufficient to adhere to what has been set out in the Exposure Plan.

Response: Concur. Risk will develop a system through Scottsdale University to ensure Property Room Operations Orders are reviewed and documented annually.

Responsible Party: Paul McKee **Due Date:** 5/1/05

4. Verify whether new employees receive the opportunity to obtain vaccinations within 10 days of initial assignment.

Response: Concur. Under OSHA rules, the employer is required to make available the Hep B shot vaccination series and to schedule the first vaccination within 10 working days for applicable jobs. Risk will set up the initial vaccination appointment at the initial Orientation Session and advise employee of appointment time and place via Appointment Sheet. After that it is up to the employee to conclude the series of vaccinations. For those employees who elect not to conclude the entire series of vaccinations for whatever reason, Risk sends the employee a Declination Sheet to be signed.

Responsible Party: Paul McKee **Due Date:** 11/1/04

5. Ensure that new employees receive appropriate training prior to initial assignment.

Response: Concur. Training needs are covered briefly in new employee orientation. Because training needs differ among various jobs and protocols, the process requires each Supervisor to identify and furnish specialized safety training. Training requirements are tracked via the New Employee Orientation Checklist submitted to Risk by the new employee's Supervisor. The Supervisor can request Risk's training assistance if they choose. Risk Management is currently working with Human Resources to include an expanded bloodborne pathogen training module in future new employee orientation sessions.

Responsible Party: Paul McKee **Due Date:** 6/1/05

6. Rotate the type of training provided to employees to provide an opportunity for staff to pose questions to instructors or raise issues.

Response: Concur. Training has, and is, provided via several settings. It is done in the classroom or via on line training. For example, a representative from Scottsdale Healthcare recently conducted an in house bloodborne pathogen seminar for Warehouse staff. Risk will ensure that training is delivered in accordance with OSHA requirements to enable employees the opportunity to ask questions of instructors, and/or Risk staff.

Responsible Party: Paul McKee **Due Date:** 5/1/05

7. Centralize the tracking of training to ensure that Departments/Divisions comply with the mandated training schedules.

Response: Concur. This has been worked on for the past year in formulating a centralized record-keeping repository via Scottsdale University. Each Division will have a learning coordinator to track all training within that system. Risk's role will be to oversee via annual compliance audits.

Responsible Party: Paul McKee **Due Date:** 9/1/05

8. Ensure that the departments/divisions have sufficient controls in place to identify transitional and other staff temporarily assigned to work in positions having occupational exposure be verified as having received appropriate training, material, and information prior to their assignment.

Response: Concur. As part of the annual exposure control plan review, a communication will be sent to all Supervisors regarding all recent past and anticipated use of temporary and transitional workers to ensure that pre-set safety training (on-line training may work best for this group), materials and information is in place and being properly utilized by the Supervisor.

Responsible Party: Paul McKee **Due Date:** 4/1/05



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November 10, 2004

To: Cheryl Barcala, City Auditor
From: Alan Rodbell, Chief of Police
Subject: Police Response to Audit No. 0401

Attached you will find the Police Department's response to your office's audit of the Property and Evidence function. I would like to begin by thanking the audit team for their efforts in presenting information concerning the operations within the Police Department and more particularly the Property and Evidence Unit. This process will aid us in providing a more efficient and controlled environment within that area.

The audit team identified several findings concerning the operations within the Department and the Unit and provided recommendations for correction relative to the operations of the property and evidence area. These recommendations will be responded to appropriately in the attached document and appropriate action plans will be instituted as necessary to correct these identified deficiencies as the Department deems appropriate.

I would be happy to further discuss any of this information as necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "AR", written over the word "Sincerely,".

Alan Rodbell
Chief of Police

The audit revealed several broad areas of interest, each of which will be addressed separately.

Management Oversight

The findings in this audit illustrated causes and effects for issues and concerns identified for improvement. As part of the audit process, the Police Department's management control was listed as a cause for some of the concerns identified. The audit team indicated that due to management's emphasis on other priorities, an environment was created where policies and procedures were not kept current and not followed; that monitoring tools, such as monthly and quarterly reports, did not present the true condition of operations; and semi-annual inspections did not reflect existing conditions. It was also indicated that items were not being disposed of in a timely manner; and that accountability procedures have not been maintained and, thus, records are not accurate.

Management emphasis on other priorities is predicated upon its number one objective, to provide a safe and secure environment for the citizens of Scottsdale. The main focus of priority is typically on the enforcement function, all other functions within the Department exist to support and maintain this basic goal. This, however, does not mean that management is not aware of the conditions of the other work units within the Department. Monthly and quarterly reports, as well as semi-annual inspections, provided limited information to ascertain the operational conditions of the Property and Evidence Unit. These inspections and reports can and will be strengthened to ensure that sufficient information is provided to enable management to make informed decisions.

Management was aware of the Property and Evidence Unit's inability to identify and dispose of required items in a timely manner. The inability to complete this task in a consistent timely manner was due, in part, to several factors: insufficient staffing levels to meet growing workloads, limited space, and incompatible computer technology. The Department has taken significant measures to improve the conditions of the Property and Evidence Unit. Over the course of the last year, staffing levels were increased, plus we temporarily reassigned staffing to this function to assist with backlogs. The space limitations have been addressed through a bond-authorized construction of a new crime laboratory and property and evidence building, and new technology is on the way.

It is noted that the audit covered a period of operation of over ten years and recognized that the review of incidents, methods and procedures that were utilized that long ago, under different management and employees, is

incredibly difficult. We recognize that policies change, needs change and new practices evolve that necessitate the rethinking of priorities and strategic objectives. These changes, in turn, affect the manner in which line level employees are required to perform their daily tasks. These tasks serve to meet the overall objectives of the Property and Evidence Unit. These objectives are as follows:

- Protection and security of the Property and Evidence Unit.
- Maintaining clean and orderly property and evidence storage facilities.
- Protecting impounded property from damage and deterioration.
- Ensuring proper accountability procedures are being maintained.
- Making sure all property that has no further evidentiary value is disposed of promptly and in compliance with Arizona State Statutes and City Ordinances.

Staff applied these same objectives and prioritized the types of impounds that come into the Department's control; meaning that the objectives are applied on priority one impounds before the objectives are applied to priority two impounds, etc. Listed are the different levels of priorities.

- Priority One: Items of evidence from a crime that may be used in a court proceeding. The needs of this type of impound must be met first and all efforts are first directed to meeting this objective as it pertains to this category of impounds.
- Priority Two: Items that are impounded for safe keeping until the owner comes to retrieve the items. These impounds will not be used or are no longer being used for the prosecution of a suspect.
- Priority Three: Items that are found by individuals and turned into the department for possible location of the owner.
- Priority Four: Items such as weapons that are turned into the Department for disposal.

The Unit's workload and day-to-day operations utilized this level of prioritization in consideration of the limitations previously mentioned. The staff was directed to place their emphasis on completing priority one tasks until solutions to the problems of staffing could be implemented. The result of this directive was that, in order to ensure that criminal evidence was properly maintained and categorized for possible court action, other functions were not always addressed in a timely manner. This included the proper follow-up for the disposal of impounded items no longer needed for court.

Thus, management responses and recommended action plans, if different from those of the audit team, will be based upon the materiality of the issue in question.

Technology/Tracking:

It was emphasized within the audit report that the Department lacked the ability to properly track and maintain the inventory present within the Property Unit using computerized technology.

The Department agrees with the audit report that a better system is needed in the tracking and control of impounded items that are received. It has recognized this need for over three years and has been working through an action plan that will implement a system to rectify this problem. The Department is in the final stages of implementing a bar coding system within the property and evidence area and also implementing a new records management system that will electronically track all items of impound. These systems will record and track impound item movement dates and times, as well as storage locations. It will provide automatic notification to staff of special events, such as review dates for disposals or the need to send a letter to a claimant.

Currently, the Unit is using a manual filing and search system to retrieve and review items of impound. A manual system was employed due to internal issues of not being able to combine the older electronic MAPPER database information with the current records management system (RMS) database. The Property Unit must maintain some items of evidence in felony cases for up to 99 years. In the past, electronic storage media has not been robust enough to allow for the conversion of older electronic media to a newer mode of electronic storage. This inability to unilaterally convert older data over to a newer software system causes data to be lost during the conversion process. To ensure that information needed to prosecute a case is always available, a hard copy of the property impound form had to be maintained. Searching a manual system is time consuming and staff intensive, but needed to be employed. With the implementation of the new bar-coding system and the records management system, the Department will be able to utilize current computer technology in maintaining inventory control over items submitted to the Property and Evidence Unit.

Staffing/Training:

It was pointed out in the audit report that the Department was remiss in its duties of disposing of items received into the Property unit in a timely and suitable manner. As previously noted, this situation evolved due to several

situations, the main ones being the lack of adequate staffing levels and insufficient training of the staff.

During the past four years, staffing in the Property Unit has been below approved staffing levels and inadequately staffed to support the required functions of that Unit. At times, staffing levels have been reduced as much as 50% due to vacancies. The Department has addressed the need to ensure adequate staffing levels in the Unit. Management has increased authorized staffing levels for the property technician position by two positions and will be seeking an additional police support specialist position to assist in data entry and retrieval. During the past year, management has also assigned additional personnel to the Unit on a temporary basis when staffing has fallen below authorized levels. We will continue to supplement current staffing with the assignment of transitional duty employees.

The audit report identified the need to improve the control environment of the work unit by providing adequate funding for training and on-going educational opportunities for the staff and the supervisor. The audit report also pointed out that the development of a training manual would aid in addressing the need for consistency in work day practice between current and newly hired staff members.

Management agrees with the importance of continued training and education and has attempted to provide such opportunities within the limitations of budgetary constraints. In the past, limited training opportunities have been provided to the Unit staff members. Management will continue to seek funding in the future. Concurrently, the development of a training manual for the Property and Evidence Unit is an essential component in the development of newly hired employees and as a reference for current staff and it will be directed that the Unit develop such a manual.

Disposal:

The proper and timely retention and disposal of items of property maintained within the Property Unit is an important function of the property and evidence section. The audit report indicated that the Department was not consistently following the proper retention and release protocols when performing this function. It was pointed out that items were either being retained for too long of a period or, when identified for release or disposal, the items were not being consistently released for disposal according to City Ordinance or State Statute.

The audit team did point out several areas in which the Department could become more proficient in performing this function and we will make the

changes necessary to conform to all required City and State ordinances and statutes, as well as implement necessary changes to increase its efficiency in performing this function. It should be mentioned, however, that the Department still has much latitude granted to them concerning the manner in which they determine when selected items of property can and will be retained or released.

For example, the audit report rightly identified the fact that the Department has not completed a drug disposal since 2001. It is recognized by management that a regular destruction of drug evidence is important and, when possible, should be completed on a regular basis. However, to complete a drug disposal accurately and safely, it is a time consuming and staff intensive procedure. It requires the services of two property and evidence personnel approximately 40 hours each to generate the disposal list and then to pull and box the drug cases for disposal. It then requires up to eight hours of an officer's and eight hours of a crime laboratory analyst's time to complete the quality control procedure of reanalyzing randomly and independently selected cases from the disposal list. Another full day is then needed for the property personnel and the witnessing patrol officer to accompany the drugs to the place of destruction in Tucson and witness the destruction take place. An average drug disposal will include approximately 1,250 cases and to dispose of these cases, it will take approximately 120 hours of staff time.

Due to staffing limitations during the past two years and the adverse impact that a drug disposal would have had on the Unit's ability to perform priority one functions, it was not feasible to the Department to complete a drug disposal process during this time period. However, with staffing levels within the Property Unit back to normal, a drug destruction process has already been initiated and completed.

With staffing levels back to normal, the Property Unit will also re-initiate the procedure of scheduled officer reviews of impounded items to ascertain if items impounded by the officer can be released for disposal. This will ensure that, through timely officer reviews, appropriately identified items will be disposed of in a timely manner.

Policy Review and Development:

The audit report pointed out that the Department was not consistently following its own operation orders and general orders nor City Ordinances in the handling of property and evidence; that Department and Unit policies and procedures were not current, as they did not reflect the current needs and work practices of the Department; and that sufficiently detailed policies and procedures did not exist to assist the line staff in performing their functions.

Though we perform regular reviews of the policy and procedure manuals, we may, at times during these reviews, suffer from “tunnel vision” and can overlook correction and changes that could be made to improve the system. For this purpose, it is advantageous to have an outside review performed to identify areas for change and improvement. Using the recommendations presented by the audit committee, the Department will initiate a review of its policies and procedures dealing with the handling of property and evidence and make any appropriate changes. Management will also direct staff to develop and implement a training manual, a detailed procedures manual and a quality assurance manual for use in the Property and Evidence Unit. Management will also work with the Purchasing Department to ensure that necessary changes to the City Ordinances concerning the proper disposal of items released by the Police Department will be initiated.

The following is the Police Department’s response to the recommendations of the audit team:

AUDIT TEAM RECOMMENDATIONS TO THE POLICE DEPARTMENT

We recommend that the Police Chief ensure that steps are taken to:

1. Identify aged impounded items and items that have been approved for release and purge the Property Room of these items in accordance with authoritative requirements where possible or through an administrative process (for non-high risk items) if the only practical alternative.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine	<p><u>Misdemeanor, Found, Safe Keeping & Miscellaneous</u></p> <p>Property personnel will identify all misdemeanor related impounds and their department report number (DR) with an impound date of two years or longer. All DRs that have no outstanding warrant attached to them will be disposed of appropriately. This will be completed in four phases.</p> <p>Phase I will be DRs from 1990 and older Phase II will be DRs from 1991 – 1995 Phase III will be DRs from 1996 - 2000 Phase IV will be DRs from 2001 – 2002</p> <p><u>Felonies:</u></p> <p>Re-implement current policy for disposition of felony items through scheduled case officer reviews.</p>	<p><u>Misdemeanor, etc:</u></p> <p>Phase I: 01/05 Phase II: 4/05 Phase III: 7/05 Phase IV: 9/05</p> <p><u>Felonies:</u></p> <p>Dec 2005</p>

2. Develop and implement a process that can be used to communicate the organizational commitment to creating and fostering an environment in which property and evidence is appropriately safeguarded while in custody, managed appropriately to ensure timely release, and disposed of according to statutory requirements.
 - a. Provide sufficient funding for appropriate supplies, such as tamper-proof currency envelopes, tamper-proof evidence tape for sealing envelopes and packages, and training for staff.
 - b. Provide management level staff with the time and resources needed to participate in management training opportunities presented by human resources and professional organizations.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Steve Garrett	To insure that the proper controls and guidelines are in place and being followed for the handling and disposal of impounded property, the Property and Evidence Quality Assurance Manual will be approved and implemented. This manual will also address items (a) and (b) as listed above. (Current ongoing project)	Mar 2005

3. Review and update job descriptions for the property and evidence manager and technicians to more appropriately reflect the requirements related to the objectives of the function, set out expectations for certification, ongoing training and adherence to federal, state and local regulations for the handling of property and a safe work environment.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Steve Garrett Ken Racine	Police Department will submit to Human Resources for review and approval, updated property staff job descriptions.	Dec 2004

4. Seek opportunities to provide sufficient funds for training, professional development and professional memberships that would provide staff with access to new developments in property and evidence management.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Steve Garrett	During the FY2004/05 budget preparation the unit supervisor will present for evaluation and consideration to the appropriate command levels, educational and training opportunities that will be of benefit to the staff of the Property Unit in improving and adding to their abilities to manage their job functions.	Nov 2004

5. Require the property and evidence manager to develop and document a property room manual that sets out the policies and procedures for the operation of the property and evidence unit to enhance consistency in operations, provide training materials to new staff and set boundaries in which staff can operate without the need for management intervention.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine	A. Develop and implement a Property Unit Procedures Manual describing the operations and daily tasks and authority of unit members. B. Develop a Property and Evidence Training Manual to provide instruction and competency testing for new employees.	May 2005 July 2005

6. Clarify the expectation for staff to adhere to General Orders and Operations Orders or seek management approval to modify or change directives that cannot be achieved.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Helen Gandara-Zavala	A meeting will be held with the Property and Evidence Unit to clarify the Department's expectations for staff to adhere to Department General Orders and Unit Operational Orders.	Jan 2005

7. Develop and document appropriate goals, performance measures and tracking systems to provide timely, relevant information regarding the operations carried out by the property and evidence unit.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Steve Garrett	Review existing unit performance measures and realign as necessary to reflect the strategic plans of the Department, and then develop relevant tracking measures to the appropriate information to management.	Mar 2005

8. Develop an accurate and reliable computerized database of impounded items that can be used as a tool for managing the property until such time that the new Record Management System is available for use.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Paul Hruby	The department will initiate the process of implementing a property/ evidence computerized bar-coding inventory system to track all impounded items. (Current ongoing project)	Implementation date of Jan 2005

9. Develop a control number system that could be used to place a sequential, unique identifier on each Invoice when received by the property room.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine	The Unit will implement a bar-coding system that will uniquely identify each property invoice that comes into the property room.	Feb 2005 (Contingent on the completion of Item #8)

10. Develop a control list that could be used as a transmittal sheet when submitting invoices for data input.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine	To insure that the proper controls and guidelines are in place and being followed for the handling and disposal of impounded property, a Property/Evidence Quality Assurance Manual will be approved and implemented. This manual will also address the issue of a control sheet. (Current ongoing project)	Mar 2005

11. Develop a process to reconcile data entry to the control list to ensure that all line items on invoices are input and information correctly reflects what is listed.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine	To insure that the proper controls and guidelines are in place and being followed, a Property/Evidence Quality Assurance Manual will be approved and implemented. This manual will also address the issue of reconciling data entry. (Current ongoing project)	Mar 2005

12. Develop a system in which computerized records can be updated to allow for changes in location and other data, such as release of items, in a timely manner. This system needs to allow for situations in which only one item on the invoice may need to be updated.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Paul Hruby	Management will initiate the process of implementing a property/evidence computerized bar-coding inventory system to track all impounded items while in the custody of the police department. (Current ongoing project)	Implementation date of Jan 2005

13. Review and update the General Orders to provide consistent direction on invoice preparation, item packaging, responsibility for review, and the method to be followed when releasing property and evidence. At a minimum consider the following:
- Clearly stating the responsibility for staff to complete the invoice, including all fields such as serial number, the details leading to the impound of property or evidence, and classification type.
 - Clearly stating that items of evidence are to be packaged separately to avoid potential issues with cross-contamination and to facilitate release if an item is not needed.
 - Re-visiting the need to package and seal items turned in as “found” or for safekeeping to allow a more efficient storage system based of type of property impounded instead of type of package. At the same time, the elimination of the requirement for sealed packages would facilitate disposal of the property by reducing the time necessary to open an envelope or package to determine what is inside and allow property room staff to verify serial numbers and look for information that might lead to identification of a claimant name or address.
 - Clarifying use of the classification type “found” and “safekeeping” to provide consistency when impounding items.
 - Clarifying when it is appropriate to record “State of Arizona” as the claimant and “City of Scottsdale” as the finder of property and evidence.
 - Developing and documenting packaging requirements when impounding computers, peripheral devices, diskettes, removable storage devices and other various types of equipment.
 - Developing and documenting the process to be followed when impounding rolls of film (i.e., submit the film for processing or not; type of container to keep the unexposed film in if not developed), digital photographs (i.e., print photos and submit a diskette with the image),

audio recordings, and other materials that would be subject to deterioration if improperly stored or packaged.

- h. Requiring the weight of bulk items, such as marijuana, to be recorded on invoices in order to establish a baseline control that can be used to verify quantities submitted for disposal.
- i. Developing and documenting internal policy on the conversion of forfeited or unclaimed property to police department use. At a minimum, establish a requirement for approval, the appropriate level of review, marking and tracking of items converted and an annual inventory by the Office of the Chief or another appropriate area.
- j. To properly track and account for guns turned over for use in service, requiring special investigations to provide information on such guns to the area that tracks service issue weapons. This process is similar to the one used to track traditional weapons ensuring that the weapons will be returned should employment cease.
- k. Prohibiting the temporary release of property or evidence outside of the control of the property room, with the exception of situations required under court order, for laboratory testing, or for reasons specifically defined in the Operations Orders.
- l. Designating the parties responsible for making a reasonable effort to identify or locate the owner of impounded property and ensure that such efforts are made.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Patrol Bureau	A committee will be appointed to review General Orders Section 50.30 – 38. Changes that are necessary to address all issues listed in the above recommendation, as well as other issues identified in the audit, will be presented to the Policy Review Committee and to upper staff for approval and implementation. Training will be provided to the affected units as necessary to insure that applicable procedures and policies are being followed appropriately.	April 2005

14. Review and update the Operations Orders. At a minimum, consider:

- a. Ensuring consistency with the General Orders.
- b. Developing adequate drug disposal procedures, which, among other things, set out: the documentation necessary to evidence the drug disposal; the acceptable disposal methods for the various drug types; and the necessary weight, and quantity verifications that are to be made relative to amounts recorded on the respective invoices.

- c. Developing adequate weapons disposal procedures, which among other things, set out: requirements to retain a list of the weapons forfeited to the City; requirements to compare descriptive information on the weapons, such as serial numbers, to descriptions listed on the related invoices; requirements to retain a list of the weapons actually destroyed; requirements to document the destruction of weapons.
- d. Developing requirements for documenting cash discrepancies between what is reported as impounded and what is actually found to be present prior to making deposits with the City Treasurer. Discrepancy thresholds should be set to indicate when these reports should be forwarded to management for follow-up.
- e. Requiring the use of a unique disposition code on the invoices to identify property converted to City use, as well as a unique code to identify property forfeited through RICO.
- f. Developing a policy and related procedure on the steps to re-tag property if the original tag is lost.
- g. Developing a policy and related procedure on modifications, alterations or corrections to information on invoices and packages.
- h. Developing a policy and related procedure on the storage of computers, peripherals, and storage media to reduce potential for damage or deterioration while in custody.
- i. Requiring property room personnel to verify information on vehicle invoices in a manner similar to what is required for invoices for non-vehicle items, take appropriate steps to notify parties when vehicles are approved for release and ensure that vehicles are disposed of in a timely manner if unclaimed within the allotted time period.
- j. Requiring vehicle impounds to be recorded onto the computerized database of impounded items.
- k. Developing a policy that requires tracking items temporarily released from the property room until the item is returned.
- l. Clarify the method to be used to document the authorization to release property and evidence and the documentation required to be presented and retained when releasing items (for disposal or conversion to use) forfeited under court order.

- m. Prohibiting individual staff from accessing high-risk items while alone and requiring tracking logs to document access to such items.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine	<p>We agree to consider the above recommendations for possible implementation into the Operations Orders. A committee will be appointed to review and recommend updates to the Property and Evidence Operations Orders. Appropriate changes necessary to address the issues listed in the above recommendation will be presented to the Policy Review Committee (PRC) and to upper staff for approval and implementation.</p> <p>We have already considered the recommendation listed in subsection m and have elected to put into practice other compensatory controls that will satisfy the intent of this recommendation. We believe that our current hiring process will satisfy the intent of this recommendation. Department policy requires that before employment, each property technician must undergo a complete background check that includes not only reference checks, but a criminal history check, past employment screening, a drug screening test and a polygraph examination to insure their honesty, integrity and ethical behavior.</p> <p>As an additional safeguard, the new Property building will include electronic card key access to all restricted sites in order to monitor employee access to these sites.</p>	Submit updates to PCR by Jun 2005

15. To help provide an auditable trail of the disposition of impounded items, develop a new Invoice that provides sufficient space to print the name and address of the individual to whom property is released.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine Joan Scott	Review current form and draft changes required to meet the needs of the next generation RMS, the new bar-code system and to simplify the form's use. Present these changes to the Forms Committee for approval.	Feb 2005

16. Cease the practice of "temporarily" releasing items from the property room, with the exception of situations in which the evidence is required at court, for forensic testing or for defined investigative purposes. If an item needs to be "viewed," arrangements should be made to conduct the viewing at the property room.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Patrol Bureau	Management will set forth standards in the General Orders to regulate how and when evidence will be temporarily released from the property room as set forth in audit recommendation and will include a process for tracking and follow-up of these types of releases.	April 2005

17. Require documentation of and retention of court ordered forfeiture prior to the release of any items for placement in service or inventory in the crime lab.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine	To insure that the proper controls and guidelines are in place and being followed for the handling and disposal of impounded property, the Property/Evidence Quality Assurance Manual will be approved and implemented. (Current ongoing project)	Mar 2005

18. Develop a form that can be used when accepting items for "destruction" that documents name and address of the individual submitting the item and requires certification of ownership. The form should contain a place in which the individual can confirm that the city can place the item into service, donate or use the item for other purposes, or decline the use of the item in such a manner.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine	Develop form and submit to the Forms Committee for approval. Maintain the forms at the Station Office at each District.	Jan 2005

19. Develop a form, to be attached to the invoice, which indicates each 6-month review conducted by the case officer, supervisor, or other appropriate chain of command. Require that the detailed reason for retaining the property be documented at each 6-month review.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine Joan Scott	The new records management system will already contain a property module that will allow for this type of information to be automatically captured. Until that module is installed, an internal form will be developed and given to the officer for each review.	Jan 2005

20. Develop and provide receipts for impounded property that give the claimant the necessary information on how, where, and when they can or must retrieve their property.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Patrol Bureau	A receipt will be developed, based on legal requirements, and will be used as specified. It will include information as to how, where and when a claimant can or must retrieve their property.	March 2005

21. Limit Property Room staff access to facility keys to only business hours.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine	Management will place the requirement into the Operation Orders that all employees must first report to the main property location to start or end their shift and that after hour access to property locations is strictly prohibited. Keys will be left at work and accounted for daily.	Memo will be issued by Dec 2004

22. Assess the Property Invoice form for potential improvements that could be achieved through redesigning it and placing it online for completion.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine Joan Scott	The Property Invoice will be reviewed for redesign as per recommendation 15. The new records management system (RMS) is already designed to allow for the Property Invoice to be placed online. This aspect of the RMS will be implemented in late 2005 or early 2006.	Aug 2005

23. Develop and implement a storage methodology that segregates lost, abandoned, and safekeeping items from evidence impounds.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine	This will be implemented in the new property building when it is constructed.	2007

PURCHASING RELATED RECOMMENDATIONS

24. Review and reevaluate city ordinance chapter 23 article iii, to ensure that it accurately reflects the city policy position on the appropriate handling of unclaimed evidence and property. The review should incorporate issues such as: requirements for notice; required holding periods; and areas of responsibilities as it relates to the determination of disposal method.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Helen Gandara-Zavala Paul Norman	Review and reevaluate city ordinance chapter 23, article iii, to ensure that it accurately reflects the city policy position on the appropriate handling of unclaimed evidence and property.	May 2005

25. Require that property room staff discontinue the practice of destroying all forfeited unclaimed weapons, as well as property that they determine has no value, and comply with city ordinance that indicates that forfeited and unclaimed property is to be transferred to the warehouse so that such decisions can be made under the purview of the purchasing division. If arrangements are made with the purchasing division for property room staff to participate in the valuation and destruction of the forfeited unclaimed property, the related procedures should be documented in the property room's operations orders.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Steve Garrett	Comply with city ordinance concerning forfeited weapons and other property. Meet with the purchasing director to develop procedures and policies concerning how forfeited weapons and other property will be transferred to the purchasing division from the police department and include these policies and procedure in the Property and Evidence Operation Orders.	Jan 2005

26. Require, prior to sending forfeited and unclaimed property to the warehouse, property room staff to open impound packaging to view and reconcile all items to their related invoices. Discrepancies should be documented and forwarded to appropriate staff for resolution.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine	Include in the review and update of the Operation Orders, the requirement to open impound packaging to view and reconcile all items to their related invoices. This procedure will begin immediately.	Nov 2004

27. Require that property room staff discontinue the practice of sending invoice copies to the warehouse.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Steve Garrett	The property unit will no longer send un-redacted copies of property invoices to the warehouse. Instead a list will be generated that contains the DR, the property item number and a description of the item to be released. This list will be presented to the warehouse for their review at the time the property is released.	Nov 2004

28. Require, until such time that the city ordinance is modified, that property room staff comply with current ordinance and prepare (and retain) a list of the forfeited and unclaimed property that is to be transferred to the warehouse. This list should also be provided to warehouse staff for their use in verifying that they have received all the items indicated.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine Joan Scott	The property unit staff will comply with current ordinance and prepare (and retain) a list of the forfeited and unclaimed property that is to be transferred to the warehouse. A computer-generated list will be developed to assist in this process. This list will contain the DR, the property item number and a description of the item to be released to the warehouse. This list will be presented to the warehouse for their review at the time the property is released.	Dec 2004

29. Require property room staff to provide a "certificate of ownership" on delivery to a finder of any property unclaimed by the owner.

Agree Disagree	Responsible Party	Action Plan	Completion Date
Agree	Ken Racine	Property unit staff will provide a "certificate of ownership" on delivery to a finder of any property unclaimed by the owner.	Nov 2004

APPENDIX B

BACKGROUND

The Unit exists to safeguard property and evidence that comes into the possession of the Police Department. The Operations Orders for the Unit set out the following:

Responsibility

The Property and Evidence Unit of the Forensic Services Division is responsible for receiving, storing, indexing, safekeeping, retrieving, and disposing of all evidence and property that is seized and impounded by the Scottsdale Police Department.

Mission

The Property and Evidence Unit will effectively operate at the highest level of Standards to receive, process, and store all crime-related evidence, seized or recovered property, and found property for the Scottsdale Police Department.

Goals and Objectives

1. *Protection and security of the Property and Evidence Unit.*
2. *Maintaining clean and orderly property and evidence storage facilities.*
3. *Protecting impounded property from damage and deterioration.*
4. *Ensuring proper accountability procedures are being maintained.*
5. *Making sure all property having no further evidentiary value is disposed of promptly and in compliance with Arizona Statutes and City Ordinances.*

Performance Measures

On a monthly basis, the number of items impounded and released is compiled as a performance measure. Each individual assigned to the Unit maintains a manual count of activity and the Manager of the Unit then prepares a total. According to information provided by staff, approximately 31,400 items were impounded in 2003. The table below shows the volume for the last six years.

Impound Volume			
Year	Impounded	Released	Net Change
1998	25,340	21,628	+3,712
1999	27,483	18,154	+9,329
2000	32,111	21,637	+10,474
2001	33,196	17,695	+15,501
2002	33,086	17,710	+15,376
2003	31,411	19,296	+12,115
Total	182,627	116,120	+66,507

Location of the Property and Evidence Unit and Staffing

In total, there are more than 15 locations in which property and evidence may be stored. An area in the basement at District Two (Via Linda Police Building) serves as the Property Room. In addition to this area, the Unit uses movable storage containers kept at the North Corporation Yard, storage areas at the Graphics building, District One (75th Street), the South Corporation Yard, and privately operated storage facilities. For items that require cold storage, the Unit has several refrigerators and two walk-in freezers that can be used. Items with a high risk, such as drugs, guns, and valuables, are stored in secure areas within the Property Room or in lockers with controlled access.

At the time of this audit, the Unit was staffed with five employees. The function falls under the oversight of the Forensic Services Division, an area that reports to the Administrative Services Bureau Director. The Manager of the Unit has been employed by the City since 1986 and has served as the Manager since October 1999.

Objectives of the Property and Evidence Function

The property and evidence function exists, according to professional literature, to achieve the following objectives:

1. Handle and store property and evidence appropriately.
 - a. Implement and maintain efficient and effective storage and retrieval systems so that items can be located when needed.
 - b. Avoid loss, damage, or deterioration.
 - i. Preserve evidence.
 1. Store correctly to avoid deterioration.
 2. Protect integrity by preventing contamination.
 3. Establish and maintain continuous chain of custody.
 - ii. Protect property rights.
 - iii. Limit potential damage claims.
2. Ensure that final disposition of property and evidence meets statutory requirements.
 - a. Obtain and document appropriate authorization for release.
 - b. Ensure timely release by facilitating periodic reviews.
 - c. Undertake reasonable efforts to identify owners of lost or stolen property and provide appropriate notice to claim items held.
 - d. Take appropriate steps to verify and document identity of person receiving items when released.

3. Satisfy administrative requirements.
 - a. Follow policies and procedures and provide required reports.
 - b. Maintain appropriate inventories and enable periodic audits.
 - c. Protect staff against exposure to biohazards, injury, or other hazards.

Ownership of Property and Evidence

Property handled by the Unit falls into four categories: evidence; found, lost, or abandoned property; items held for safekeeping; and property turned over to the Police Department for disposal. The Police Department does not own items held. Property rights do not transfer based on physical possession alone. Until the property is abandoned or forfeited, the right to possess the item rests with the owner. Contraband, items that are inherently illegal to possess, is the exception to this rule. If possession of the item would be illegal, there can be no expectation for return of the item.

Because there is no transfer of ownership, the Police Department is a caretaker. In legal terms, the relationship is one of "bailment."¹¹ In this role, the Police Department has, under law, a responsibility to care for, preserve, and secure the property until such time as it is returned to the true owner. This responsibility includes an expectation to return items to the rightful owner in a timely manner. This obligation was addressed in a 1982 Report from the President's Task Force on Victims of Crime.

The victim's property belongs to the victim, not the system. Victims repeatedly tell of property ranging from family heirlooms to an invalid's television set being held for months or years while the case moves slowly through the courts: in some cases, property has been mislaid or lost. Victims should have their property restored to them at the earliest date possible without compromising the prosecution of the case.

Police should cooperate with local prosecutors to develop procedures in which the prosecutor evaluates the evidentiary value of the property, notifies the defense, arranges inspection if necessary, then releases these items to their owners as expeditiously as possible. Departments must devise a system that will notify the victim's family when property has been recovered, where it is being held, when it can be claimed, and what documents must be presented when a claim is made. Before items are returned, they should be photographed in a manner that clearly identifies the property and will allow substitution of the photograph for the item itself as an exhibit in court.

The State of Arizona addressed the return of victim's property in statute. These provisions require reasonable efforts to return the property as soon as possible.

¹¹ Bailment – the rightful possession of property by someone who is not the true owner.

The obligation for prompt return of property is also addressed in Scottsdale Police Department General Orders. Page 17 of Chapter 50 states:

The Scottsdale Police Department has a legal and ethical obligation to return property to its lawful and rightful owner. It is expected that each employee responsible for the release or return of a person's property will make every reasonable effort to do so as soon as possible. Authorization to release impounded property will be the responsibility of the detective assigned to the case. In the detective's absence, the detective's supervisor will be responsible for authorizing the release of the property.

Standard for Care of Property

As the caretaker, an appropriate level of care must be exercised to ensure that property is not damaged, lost, misplaced, or stolen. The level required depends on the situation under which the property comes into the possession of the Police Department. Seized property, for example, requires "extraordinary care." This means that the Police Department must exercise the highest degree of care to protect against deterioration from the elements, theft and vandalism, and damage.

Lost, found, and safekeeping items, however, only require "ordinary care" because the Police Department is not actively taking steps to deprive someone of the right to possess the property.¹² For items within these classifications, the Police Department must take the steps a prudent person would take to safeguard their own property or the property of others.

Property given to the Police Department for destruction and items considered abandoned require the lowest level of care or "slight care." Property of this nature comes into the Unit because the owner has made a decision to give up his/her rights (whether by taking actual steps to relinquish rights by giving the property up or simply relinquishing rights by abandoning it) with no future expectation of ownership. In giving up these rights, there can be no expectation for the item(s) to be safeguarded against damage.

The insert below shows the relationship between the type of property and the Standards of Care needed while in the possession of the Police Department.

¹² In some instances, property may be taken by the Police Department for "safekeeping" while a prisoner is held in custody or if there is concern for someone's safety.

Standards of Care for Property in Custody of the Police Department	
Seized	Extraordinary Care
Lost/Safekeeping	Ordinary Care
Abandoned	Slight Care

SOURCE: "Evidence and Recovered Property, The Police Property Control Function," Robert Doran, 1998.

Standards Set By Accreditation Agencies

CALEA serves as the nationally recognized accreditation group for Police Departments. The Scottsdale Police Department first received accreditation in 1994 and was recertified in 1997, 2000, and 2004. For accreditation, CALEA has developed a set of Standards to address the various operations of a Police Department. Two Standards that impact property and evidence are "Collection and Preservation of Evidence" and "Property and Evidence Control."

According to CALEA, the handling of evidence can impact the effectiveness of law enforcement.

The effective exercise of law enforcement responsibility in the investigation of crime and in the prosecution of offenders requires that information be obtained through the application of scientific knowledge and methods. There is no practical alternative. Research has shown clearly that physical evidence must be identified, collected, and preserved properly and transmitted to the laboratory promptly if laboratory support resources are to be used effectively.

SOURCE: CALEA, Standard #83, "Collection and Preservation of Evidence."

The property and evidence control function should provide for the security and control of seized, recovered, and evidentiary property as well as abandoned, lost, or found property in the custody of the agency. This is critically important in supporting investigations, in helping to guarantee successful prosecution at criminal/civil trials, in facilitating the timely return of property to its rightful owners, and in establishing the agency's reputation as an honest, reputable agency worthy of the public's confidence and trust.

It is critical that a law enforcement agency's property and evidence control function develop and maintain strict measures for the receipt, handling, security, and disposition of property.

SOURCE: CALEA, Standard #84, "Property and Evidence Control."

The Standard for the Property and Evidence Control function contains seven specific directives. These directives, listed in the insert below, address the administration and operations necessary to carry out the function.

Property and Evidence Control Function

1. A written directive establishes procedures for receiving all in-custody and evidentiary property obtained by employees into agency control, to include:
 - a. Requiring all property to be logged into agency records as soon as possible.
 - b. Requiring all property to be placed under the control of the property and evidence function before the Officer ends his/her tour of duty.
 - c. Requiring a written report detailing the circumstances by which the property came into the agency's possession and describing each item of property obtained.
 - d. Providing guidelines for packaging and labeling property prior to storage.
 - e. Establishing extra security measures for handling exceptional, valuable, or sensitive items or property.
 - f. Requiring an effort to identify and notify the owner or custodian of property in the agency's custody.
 - g. Establishing procedures for the temporary and final release of property items from the control of the property and evidence function.
2. All in-custody property and evidence is stored within designated, secure areas.
3. Secure facilities are provided for storage of in-custody or evidentiary property during periods when the property room is closed.
4. A written directive requires that only authorized personnel have access to areas used by the agency for storage of in-custody or evidentiary property.
5. Records reflect the status of all property held by the agency.
6. The following documented inspections, inventory, and audits shall be completed:
 - a. An inspection to determine adherence to procedures used for the control of property is conducted semi-annually by the person responsible for the property and evidence control function or his/her designee.
 - b. An inventory of property occurs whenever the person responsible for the property and evidence function is assigned to or transferred from the position and is conducted jointly by the newly designated property custodian and a designee of the CEO to ensure that records are correct and properly annotated.
 - c. Unannounced inspections of property storage areas are conducted as directed by the agency's chief executive officer.
 - d. An annual audit of property held by the agency is conducted by a supervisor not routinely or directly connected with control of property.
7. Final disposition of found, recovered, and evidentiary property is accomplished within six months after legal requirements have been satisfied.

Professional Standards

In 2002, IAPE developed a set of Standards for the handling of property and evidence. These Standards are summarized below and on the following pages.

1. **Organizational Placement** – Segregation of duties is paramount in maintaining the integrity of the function.
2. **Staffing, Scheduling, and Responsibilities** – Staffed by qualified personnel and open during normal working hours. The ultimate goal of the function is the appropriate disposition of property, whether in compliance with Court Order, through release to its rightful owner, or through other legal means such as auction, diversion, or destruction.
3. **Written Policies and Procedures** – Written directives should require:
 - a. Property to be logged into records as soon as possible.
 - b. Property to be turned over to the Property Room before the end of "tour of duty."
 - c. A written report setting out how the property came into the possession of the Police Department with a description of each item obtained.
 - d. Appropriate packaging and labeling prior to storage.
 - e. Extra security measures for handling exceptional, valuable, or sensitive items.
 - f. Efforts to identify and notify the owner or custodian of property in the agency's custody.
4. **Temporary Storage** – Storage of property and evidence between the release from the Impounding Officer and the acceptance by the Custodian should be secure and controlled such that a person could testify to the security of the property even though no one is actually present at all times.
5. **Long Term Storage of Evidence** – Currency, firearms, and narcotics require enhanced levels of security. Found and safekeeping items should be segregated from evidence so that a quick visual inspection can be made to ensure that adequate purging is taking place. Audio and videotapes should be placed in a location that is temperature and humidity controlled and free of magnetic fields.
6. **Property Room Construction** – Facility should be equipped with fire sprinklers, smoke detectors, fire extinguishers, and emergency eyewashes. Sufficient care should be given to safeguard against unauthorized access.
7. **Layout Issues** – The Property Room should be located in a convenient place. Use of satellite or off-site locations for the storage of property and evidence can cause security problems, increase transportation and employee costs, and make property/evidence pick-up and return difficult.
8. **Security and Alarms** – Only authorized personnel should have access to the areas used by the agency to store property and evidence. Keys should be controlled.

9. **Documentation** –

- a. All serialized property should be run through a state database for a stolen query and entered as evidence. The Property Officer should always verify serial numbers and compare the description of the item with the actual item for accuracy.
- b. A sequential and unique control number, different from the DR case number, should be assigned to each property item to prevent more than one item from having the same number.

10. **Package Handling and Storage** – Policy should clearly state that any deviation in packaging methods will be refused and the Booking Officer will be notified through the chain of command to correct the problem. Regardless of the packaging method used, the package should have an identifier (i.e., case number, control number, item number) that corresponds to the item description noted on the Property/Evidence Report. Packaging that may be contaminated with bodily fluids should be labeled with biohazard labels.

11. **Currency Handling and Other Valuables** – All currency seizures should be documented on its own separate Property Report due to its special handling and disposition needs. A "rule of two" should be implemented with one signature of the person making the count and a second signature of the person verifying the count.

12. **Firearms** – All firearms should be documented on their own separate Property Report. The Booking Officer should note the identifying information and the Property Officer should verify the information. Requests for release of firearms should be specifically authorized in writing and requests for firearms in Court should be supported by a subpoena.

13. **Narcotics Handling** – Narcotics evidence should not be commingled with any other property types. Agency directives should outline procedures for handling, storage, transportation, and auditing of narcotics for destruction.

14. **Evidence, Other Special Handling** – Storage of perishables should only occur when it is evidence of a serious crime. Refrigerators and freezers should be equipped with alarms to provide warning of changes in temperature.

15. **Disposition and Purging** – The timely and appropriate disposition of evidence is extremely important to the efficient management of evidence, the integrity of evidence security, and the effectiveness of prosecutorial efforts. Overcrowded evidence rooms require more manpower to manage simply because the size of their inventory has a tendency to slow down routine operations involving evidence location and retrieval. Criteria must be established to provide guidance in how long property should be kept before being reviewed. After setting time limits, a system needs to be in place to add a review date to every item of property. Official notification to the owner must be made once the determination is made that property may be disposed of.

16. **Found Property** – Property that is filthy, trash, open, consumable, or items that may contain other contagion should be disposed of and not brought into the Property Room.

17. **Property for Safekeeping** – Notice should be given to the property owner to claim the item(s) within the specified time period.
18. **Auctions** – Unclaimed property should be disposed of according to state and local requirements. Records should be kept for the required retention period.
19. **Property Diversion** – If unclaimed property will be diverted for public use, appropriate approvals should be obtained and records kept for the required retention period.
20. **Training** – Personnel within the Property and Evidence Unit should receive timely, relevant training. A property manual can be beneficial in explaining procedures, packaging, and documentation of evidence.
21. **Audits** – Policy should define when audits are to be conducted, by whom, and the scope of the audit. The audit should be conducted by a person or unit that does not have responsibilities within the evidence operation. Unannounced inspections or random audits should be held.
22. **Inventories** – An annual inventory should be conducted or whenever key holding personnel changes are made. At a minimum, the inventory should cover guns, money, and narcotics.
23. **Automation** – Computerized records can enhance accuracy of records, provide reports, and expedite activities such as inventories. If a system is used, it should contain sufficient safeguards to protect the data once in the system and provide an audit trail of changes made.

State Requirements

ARS contain many provisions related to the impounding of property and evidence. Title 13, for example, requires receipts to be given when money or other property is taken from a defendant when arrested. According to ARS, §13-120, the Officer taking the money or property is to prepare duplicate receipts specifying the amount of money or type of property taken; provide one receipt to the defendant; and deliver the other receipt, along with the property, to the Police Department.¹³

This Title also gives an Officer, in certain conditions, the authority to temporarily seize a firearm and hold it for at least 72 hours. If a seizure such as this occurs, the Officer is required to give the owner (or possessor) a receipt listing the serial number and other descriptive information for each firearm seized. To retain the firearm more than the holding period, a petition must be filed requesting that it be held longer. If the petition is approved, it can be held for up to six months.

¹³ Language in the Statute is "...forthwith to the clerk or other person in charge of the police office in the city or town."

As well, Title 13 addresses the disposition of certain types of property and evidence that might come into the possession of the Police Department. For example, ARS, §13-3107, states that, upon conviction for the violation of any felony in Arizona in which a deadly weapon; dangerous instrument; or explosive was used, displayed, or unlawfully possessed, the Court is to order the item forfeited and sold, destroyed, or otherwise properly disposed of. This provision means that the Police Department, in cases in which forfeiture occurs, can dispose of the weapon, instrument, or explosive according to policy set by the City. For property, allegedly stolen or embezzled, ARS, Chapter 38, Article 10, sets out the process to be followed by the Police Department to return the item to its owner.

Finally, ARS, §13-3101, precludes anyone meeting the criteria set for "prohibited possessor" from possessing a firearm. With the prohibited possessor regulations, the Police Department cannot release a firearm to anyone who falls into that category. However, this does not mean that the Police Department can make a unilateral decision to automatically forfeit the firearm to the City.

Also outlined in ARS are Rules of Criminal Procedure. The disposition of items seized or acquired as evidence is addressed in Rule 28.2 where commentary states that agencies are encouraged to dispose of evidence.

This rule is intended to encourage the disposition of evidence by law enforcement agencies either before or after trial.

To accomplish this objective, the Rule gives the prosecutor or law enforcement agency the discretion to determine if any item, or any portion of an item of evidence, should be disposed of. More importantly, the Rule mandates the disposal of evidence when a case is no longer subject to modification. A case is not subject to modification when:

1. The defendant has been acquitted or the charges have been dismissed with prejudice.
2. Sixty days expires, after judgment and sentence, and no appeal or post-trial motion has been filed.
3. Ninety days after denial of a post-trial motion or receipt of the mandate affirming a conviction if a petition has not been filed with the United States Supreme Court.
4. Twenty-five days after writ of certiorari¹⁴ has been denied unless a petition for rehearing has been filed.
5. Denial of a petition for rehearing is received.

¹⁴ A review based on judicial discretion; granted when there is special or important reasons.

6. One year has passed after exhaustion of all state remedies if no petition for habeas corpus¹⁵ has been filed or one year after exhaustion of all federal remedies if a petition of habeas corpus has been filed.

When a case meets one of the criteria set out above, evidence must be disposed of within 30 days. Before disposing of it, notice must be made to the City Prosecutor and the Office of the Attorney General who may:

- Cause the item to be photographed, reproduced, or otherwise identified.
- Transcribe all serial numbers, identification numbers, or other identifying markings.
- Prepare, or have prepared by an expert, a report identifying the item with the expert certifying the report.

At least ten days prior to disposing of the item, any person and his/her counsel, if the item has been used or may be used as evidence, is to be given notice of the intent to dispose of evidence. This notice provides the individual with the ability to request a Stay of Disposal.

Evidence is to be returned to the legal owner unless the Court orders forfeiture or the item is illegal to possess. If the owner's whereabouts is unknown or if the owner is unwilling to accept the item, the process for disposal is set out in ARS, §12-941. This Section also sets out the process that must be followed for:

- Items seized by the Police Department as being used unlawfully or for an unlawful purpose and remaining unclaimed.
- Items turned in as "lost" when an owner cannot be located or chooses not to claim the item.

Statutory requirements, set out in ARS, §12-941 through §12-946, *et seq.* are as follows:

- If tangible personal property or money is turned in as lost, it may be awarded to the finder at the end of the 90 day holding period. During the holding period, the City must make reasonable efforts to identify, and notify, the owner. If the item remains unclaimed, a petition must be filed with the Court listing the name and address of the owner, if known, and reason why the item remains unclaimed before it can be turned over to the finder.

¹⁵ Usually a test of legality of detention or imprisonment; not whether the individual is guilty or innocent.

- Money used as evidence or seized, is to be deposited to the General Fund if it remains unclaimed. A petition to have the money escheated must be filed with Superior Court setting forth a description, the name of the person from which the money was seized or taken in as evidence, the names of any persons claiming the money, and the reason the money is still unclaimed. Notice of the request must be given if the name and residence of the owner is known or by newspaper if the name and residence of the owner is unknown.
- Tangible property used as evidence, seized, or coming into possession as "unclaimed" can be disposed of through sale, destruction, conversion, or donation. One of the following actions must be taken:
 1. If the item is useful to the Police Department, then it can be retained and used by the Police Department.
 2. If the item has a value of less than \$25, it can be destroyed or given to charity.
 3. For items with a value of more than \$25 (unless converted to Police Department use), a petition must be filed with the Superior Court requesting authorization to sell the item. The petition must set forth a description of the property, the name of the person who last lawfully possessed it, the names of any persons claiming the property, and the circumstances in which the property is unclaimed.
 - a. Notice must also be given to the owner, if known, allowing 60 days for the item to be claimed.
 - b. If no owner is known, notice must be published at least once in a newspaper at least 18 days prior to sale.

City Ordinances

City Ordinance establishes certain requirements for the handling of property that comes into the custody of the Police Department.

Spirituosous Liquor

- If seized pursuant to a violation of State Law or City Ordinance, it is to be destroyed 60 days following conviction. If found not guilty or upon dismissal of the case, the property is to be returned to the owner.
- If recovered, it is to be returned to the owner.
- If found, it is to be offered to the finder, if permissible by law.

Weapons, Dangerous Instruments, or Explosives

- Upon the conviction of any person for the violation of any felony in which the weapon, instrument, or explosive was used, displayed, or unlawfully possessed, the weapon, instrument, or explosive is to be forfeited and sold, destroyed, or otherwise disposed of.
 - List items with make, serial number, and descriptive nomenclature; indicate whether or not the weapon or article is to be sold or destroyed.
 - City Attorney is to petition for a Court Order to forfeit and dispose of the item.
 - Within 30 days:
 - Publish adequate notice in a newspaper of general circulation.
 - Notify, by ordinary mail, any person who may have an interest in the item.
 - If not claimed, transfer to the Warehouse for sale or destruction.
- Upon the conviction of any person for the violation of a misdemeanor offense, items seized or confiscated shall be returned to the owner or person having lawful interest in the item.
 - Item is to be forfeited to the Police Department if no owner or claimant.
 - Items forfeited are to be transferred to the Warehouse for sale.

Property Used in the Commission of a Crime

- Upon the conviction of any person for a violation of a felony or misdemeanor identified in ARS, Title 13, personal property seized, confiscated, or impounded, is to be forfeited and sold, destroyed, or otherwise disposed of.
 - List items with the make, serial number, and descriptive nomenclature; indicate whether or not the weapon or article is to be sold or destroyed.
 - City Attorney is to petition for a Court Order to forfeit and dispose of the item.
 - Within 30 days:
 - Adequate notice is to be published in a newspaper of general circulation.
 - Notification, by ordinary mail, to all persons who may have an interest in the item.
- If no claimant within the 30 days, the item is to be transferred to the Warehouse for sale.

Abandoned, Lost, Found, or Stolen Property

- If no owner is found, the item can be offered to the finder.
 - Notice to the finder, by ordinary mail, with a 15-calendar day period in which to claim the item.
 - If no response, then the property is to be considered forfeited.
- Forfeited property is to be sold at public auction, converted to City use, or destroyed.
 - Police Department is to keep adequate Invoice records.
 - Prepare a list of forfeited items and transfer all items, including the list, to the Warehouse for disposal.

Sale or Destruction of Property and Weapons

- All sales or destruction of property and weapons, transferred to the Warehouse, are to be conducted by staff in the Warehouse.
- Sales are to occur at public auction.
- If not sold for lack of bids, the property is to be destroyed.
- All funds received as a result of the sale of property and weapons are to be transferred to the City Treasurer and held in a separate fund for six months. At the end of this period, monies revert to the General Fund.
- If a claim is made within two months of the sale, monies generated from the sale of the item(s), less the costs of the sale, is paid to the claimant.

Scottsdale Police Department Policies and Procedures Governing the Impounding of Property and Evidence

Police Department policies and procedures are set out in the General Orders. Policies governing impounded property are shown in the insert below:

1. **Items of evidence** – Any item, which may later be used to assist in an investigation or prosecution of a case. Items impounded to be sent to the laboratory for analysis are considered evidence. The property custodian who ensures that a proper chain of custody is maintained supervises evidentiary items, including vehicles.
2. **Recovered stolen property** – Any item, which has been identified as stolen. Attempts will be made to photograph evidence and return the property to the owner as soon as possible.
3. **Found property** – Any item of value that is found and turned over to the Police Department for disposition.
4. **Property held for safekeeping** – Any item of value that is under control of an employee of the Department and not held as evidence. If the item cannot be returned to the owner directly, property custodians will send a 30-day letter and a 15-day letter to the listed owner at the last known address advising the owner of the property held for safekeeping.

Impound Process

The Officer, Aide, or Detective impounding the item is responsible for completing the Invoice and properly packaging the item. The Police Department has a series of storage lockers that can be used for the temporary storage of the item while paperwork is being completed. For smaller items, a series of lockers similar to those used for short-term storage of personal items at an airport or bus terminal are used. For items that will not fit into these lockers, there are larger bulk storage locations. The pictures on the following page are examples of impound lockers.

When an item needs to be impounded, the Officer places it in the short-term storage area and takes the key. When the paperwork is complete, the Invoice is placed with the item and the key is dropped into a slot in which Unit staff has access. Staff in the Unit retrieve the item(s) from the storage lockers and the Unit representative, taking possession of the item, compares the item to what is listed on the Invoice, initials the Invoice, and dates it to establish a chain of custody. If the item is released for laboratory testing, viewing by the defense attorney or prosecutor, or any other purposes, the Unit representative releasing the item signs, dates, and indicates the purpose of the release on the form. The person accepting the item then signs and dates the form to maintain a history of who has had access to the item. A similar process is followed when the item is returned to the Property Room.

District 2 Temporary Impound Lockers



Items of evidence are to be sealed and initialed using the following methods:

1. Property Envelopes (Envelope) will be used whenever possible.
 - a. The Envelope will be closed and sealed with evidence tape.
 - b. The employee's initials and the date will be written across the seal and will partially cover the paper of the Envelope.
 - c. The front of the Envelope will be filled out.
2. Items packaged in plastic or other suitable container will include the DR number, item number(s), employee's initials, serial number, and date. This information will be placed on the plastic or container with a large black permanent marker pen. Items not packaged, will be tagged with all of the above information filled out on the evidence tag.
 - a. When impounding items in a plastic bag:
 - i. Place the item in the appropriate size bag.
 - ii. Cut the bag if necessary in order to fold the open edge only once.
 - iii. Seal the open edge with two-inch wide tape from the dispensers located at each District. Do not use staples or evidence tape.
 - iv. Only use a plastic bag when the item is too large for an Envelope.
3. All items must be thoroughly air-dried before packaging.
4. All items for crime laboratory analysis will be placed in a large Envelope and placed on a separate Invoice.

Tracking Process

The Invoice contains areas to list claimant name (the individual who has ownership rights), finder, if applicable, and other details such as addresses, property classification, impound type, and description of the item impounded. Police Department staff are instructed to list property belonging to different claimants as well as certain categories of property on separate Invoices.

According to the Orders, the forms are to be filled out in the following manner:

1. Each Invoice will have only one DR listed and only one classification mark.
2. Items will be packaged separately and a separate Invoice will be completed when items belong to different claimants and for the following categories of items:

Alcohol	Money	Drugs and drug paraphernalia
Explosives	Knives	Bicycles or play vehicles
Ammunition	Blood or urine	Weapons and holsters
Jewelry	License plates	Hazardous materials
Fireworks	Motor vehicles	Drivers' licenses

3. Item numbers are to be listed in a numerical sequence and not duplicated on the same DR.
4. All claimants' information must include the address, zip code, telephone number, and date of birth.

Procedures require that impounded property be listed on the Invoice form. The insert below is the form currently in use.

[illegible]

The General Orders set out specific handling information for certain items. For example:

Ammunition – Impounded separately from the weapon with which it is associated.

Bicycles – Impounded in a caged area with the evidence tag covered with plastic to prevent weather damage.

Drugs and Paraphernalia – Impounded by two employees when the street value is estimated to exceed \$2,500.

Explosives – Photographed for evidence and turned over to the Department of Public Safety (DPS) immediately. If this is not possible, impounded in an exterior location with supervisory approval.

Money – Impounded by two employees when the value exceeds \$200. Both employees will independently count the money before packaging and will initial the seal.

Jewelry – Described as accurately as possible using generic terms. Specific terms such as gold, silver, or diamonds are not to be used.

If property is submitted to the Unit, the item(s) is to be rejected if it is not sealed properly or if the Invoice is not filled out correctly. To ensure that items do not languish in the Property Room, the General Orders require that Impounding Officers review Invoices once every year and Detectives review property held in custody every six months.

For release of evidence, certain procedures are in place:

- If property or evidence is not needed, the item can be released to the owner. The owner/claimant is to sign the Invoice and the Custodian is to list the claimant's identification, enter the disposition code, and initial the Invoice.
- If a motor vehicle is ready for release, notification is to be made by telephone and in writing.
- Property is not to be released to an attorney or prosecutor without the Case Officer's knowledge.
- When an item is released to the Court, the Case Officer is to obtain a receipt from the person taking possession of the property. The receipt is to be returned to the Property Room and attached to the Invoice.
- Detectives will routinely evaluate the necessity of retaining evidence. When possible, items of evidence will be photographed and returned to the owner.

Property and Evidence Room Computerized Records

The Police Department also tracks property and evidence through computerized records. Prior to 2001, a MAPPER¹⁶ application was used. Information within this application was converted to an Access database at the end of 2000 and is still used to track items historically entered into that system. In 2001, the Police Department transitioned to using RMS to track impound information. Property and evidence in custody at the time of the transition was not moved to RMS so there are two sets of records that must be managed.

Property Invoice Maintenance

Invoices are maintained within the Unit as long as at least one of the listed items is held. These Invoices are filed according to the nature and status of the impound. For example, Invoices for items of evidence are filed together in DR number order, while guns awaiting destruction are filed separately. Periodically, the Invoices are presented to their respective Case Officers for a determination as to whether the listed items can be released. Once all items on an Invoice have been disposed of, that document is sent to Records and Analysis for storage.

Property and Evidence Room Operations Orders

The Police Department has also established Operations Orders specific to the Property and Evidence function. These Operations Orders require monthly reporting of volume and performance measures, staffing levels, emerging issues, accomplishments, and project status. Quarterly reports are required, listing the number of letters sent to claimants, the total number of items impounded, the total number of items released, the percent of time property is available for pick up within 10 days of being released by the Officer, and the percent of property release reports cleared within 15 days of scheduled reviews.

The Unit is responsible for notifying claimants that property can be picked up. A 30-day letter is to be mailed within 10 days of the item being released. For found property, a 15-day letter is to be mailed to the finder of property if it remains unclaimed for more than 30 days.

¹⁶ MAPPER refers to the process used to create databases during the time the City was operating on the mainframe computer. When the mainframe was removed, various MAPPER applications were moved to a system known as Clearpath until such time as a replacement database could be created. Most MAPPER applications were eliminated as part of the preparations for Year 2000.

Operations Orders set out a requirement for periodic inspections of the Property Room. On a semi-annual basis, the Forensic Services Division Manager is to conduct an inspection to determine if:

1. The Property Room is being maintained in a neat and orderly fashion.
2. The integrity of property is being maintained.
3. General Orders and Operations Orders are being followed.
4. Property is being protected from damage and deterioration.
5. Proper accountability procedures are being maintained.
6. Property having no evidentiary value is disposed of within six months after legal requirements are satisfied.

In addition, semi-annual, unannounced inspections are to be conducted, inventories are to be completed whenever the Unit Manager is assigned to or transferred from the position,¹⁷ and an annual audit is to be conducted by a supervisor from the Professional Standards Unit.

Unit staff are responsible for items after they have been placed in a property impound locker. This responsibility extends to ensuring the security of the Property Room and proper disposition of items as prescribed by ARS and City Ordinance and keeping current, correct records of all transactions involving property.

Operations Orders state that Unit staff is responsible for all evidence released from the Property Room. The research necessary, and proper notice needed to inform a claimant that property can be picked up, is part of his/her responsibility. According to Operations Orders, Section 83-60.5, "Property Disposition," staff is to research and obtain the appropriate clearance to dispose of property held by the Unit. This research includes making an attempt to locate current addresses and proper identification of owners.

Release of Property and Evidence

The release of impounded property and evidence is the responsibility of the Unit. Operations Orders set out the notice that must be given, the process to be followed to release items, and the additional steps necessary when disposing of certain types of property and evidence. The Operations Orders also require steps such as the query of all property with serial numbers to

¹⁷ Language in Operations Orders differs from what is set by CALEA. Operations Orders for the Unit states, "The inventory will consist of a random sampling of selected property files to include dangerous drug and narcotic, money, and jewelry property files." As a result, there is no expectation in Operations Orders for a true inventory when a new manager is assigned.

preclude the release of property reported as lost or stolen to someone other than the legal owner.

Items impounded as lost, found, or abandoned will be held for at least 30 days. If a name and address is listed on the Invoice when the item is submitted, a letter will be sent informing the owner that the item is being held. If the item is not claimed within the 30-day period, the finder (if the Invoice lists one) will be sent a letter offering the property (but not if the item is a firearm) to them. The finder has 15 days to claim the item.

The release of evidence, items held for safekeeping, and property of deceased individuals, will vary based on circumstances. Items held for safekeeping, in most cases, will be released to the owner or authorized representative. However, if the item is a gun, taken into custody as a result of a domestic violence incident, it will not be released without the Case Officer's authorization.

In some cases, evidence may be forfeited under Court Order. If this occurs, the item will be destroyed (i.e., dangerous weapons, drugs, or drug paraphernalia), sent to the Warehouse (if appropriate for sale) where it will be sold, converted to City use, or, in the case of currency and coin, delivered to the City Cashier for deposit.¹⁸ If the forfeiture was the result of a petition under RICO statutes, the funds or items will be released to the Police Officer authorized to handle RICO forfeitures.

Evidence may be approved for release because it is no longer needed. If notice is received from the City Prosecutor's Office, Unit staff will release the item(s) if it was impounded by a Patrol Officer or Aide.¹⁹ Other items, however, will be held until the Case Officer authorizes the release. When tangible personal property is released, a letter will be sent notifying the owner, if one is listed on the Invoice, that the item is available for pick up. When evidence is contraband, bodily fluids (blood draws and urine samples), audiotapes, or other items of this nature, the items will be set aside for destruction or held at the discretion of the Unit Manager. Prior to 2001, hazardous materials such as blood draws and drugs were burned in an incinerator located in the District Two Police Building. The process is no longer used because, according to staff, the cost of inspections and ongoing changes in requirements made it cost-prohibitive. As a result, no drug

¹⁸ Actions listed here may not occur in close proximity to the time the forfeiture was Ordered.

¹⁹ Other than personal knowledge Unit staff may have regarding the status of the employee initiating the impound, there is no way to determine if a Patrol Officer or Aide impounded the item as this is not part of the information captured on the Invoice.

destruction has occurred since April 2001 and the disposal of bodily fluids has been limited.²⁰

The City has a long-standing Ordinance setting out the disposition of weapons. Historical practice at the Police Department has been to destroy forfeited or unclaimed items that fell into this category. According to Operations Orders, weapons are to be forfeited if they were used in a crime, destroyed if the owner is not known or cannot be contacted, and not released to an individual with an adjudicated misdemeanor or felony, regardless of guilt or innocence, without a Court Order.

Prior to destroying weapons, the Operations Orders require creation of a list setting out details such as name of owner, gun description, and related case facts. The list is to be forwarded to the Police Department Legal Advisor who will then petition the Superior Court for authorization to forfeit and dispose of the weapons. As part of this process, a certified letter is to be sent to the last known address of the claimant and a list is to be published in the local paper.

Records, maintained by Unit staff, reflect more than 14 separate instances of a mass disposal of weapons between 1995 and 2000. From these disposals, about 950 guns were destroyed and 85 were converted to City use (75 to the Crime Lab and 10 to other areas of the Police Department). Since May of 2000, however, no destruction has been undertaken and guns, knives, and other dangerous objects continue to be held while details of legal requirements are worked out.

All items, whether lost, found, or abandoned property or evidence authorized for release, will be considered unclaimed if no one shows up to claim the item within the allotted time period. There is, however, no consistent timeframe in which this decision will be made. For example, past practice has been to hold items impounded for safekeeping from prisoners and transients in case the individual shows up at some point.

When a decision is reached to dispose of an unclaimed item, a representative of the Unit will make an initial determination as to whether or not the item should be sent to the Warehouse, set aside for destruction, or transferred to the City Cashier for deposit. If the item seems to be worth selling, it is put in a central holding area for pick up. If the item is declared worthless or inappropriate for sale (i.e., pornographic materials) or deposit (i.e., money with blood on it), Unit staff destroys the item by discarding it. This determination is at the sole discretion of the person making the evaluation. The person

²⁰ Records indicate one disposal occurred in March 2003 when an approved vendor was used to dispose of a quantity of released blood draws.

destroying the item completes the disposition section on the back of the Invoice by listing the item number of the property or evidence to be destroyed, placing the code for destruction with the date, and then initialing the document. This is the only record kept of the destruction.

If the unclaimed item is money or currency and the value of the item does not exceed the face value, the funds will be sent to the City Cashier. A Unit representative completes the City cash transmittal form using the value listed on the Envelope. The form and the unopened Envelopes are then taken to the Financial Services area in the One Civic Center Building where the Unit representative, in the presence of the City Cashier, opens the Envelope. The City Cashier counts the money and the amount is compared to what is listed on the transmittal. If there is a discrepancy, the amount listed on the transmittal is crossed out and the correct amount is noted. The City Cashier stamps the transmittal form to evidence receipt of the funds but does not sign the back of the Invoice. The Unit representative enters the final disposition on the Invoice.

For items to be sold, Unit staff will call the Purchasing Division to arrange for a pick up when sufficient quantities are available. The appropriate Invoices will be available so the Purchasing representative can sign off that the items were received, the auctioned disposition code will be entered on the Invoice, and the Purchasing and Unit staff will gather the items for loading on to the truck. A copy of all relevant Invoices will be given to the Purchasing representative as a record of items transferred.

At the Warehouse, when time permits, Purchasing staff compare items received to the items listed on the Invoice copies and enters information into a computerized database. Because the reconciliation takes place afterwards, the Purchasing staff may receive items that are not listed on Invoices or may sign off as receiving items that are actually not sent.

If the Purchasing Division receives something considered inappropriate for sale (i.e., a social security card or driver's license), it is destroyed. Similar to the destruction of items at the Property Room, this decision is at the discretion of the individual handling the property. Unique items or high dollar items may be sold through consignment or E-bay auction if the Purchasing representative believes sufficient funds will be obtained to make it worthwhile to pay the fees. Bicycles may be donated to the Handlebar Helper Program or sent for consignment. This determination is also made at the discretion of the Purchasing representative. In some cases, items such as knives and tools may be converted to City use. There have also been instances in which bicycles were provided to City staff if the individual stated that they wished to participate in the Bike to Work Program. There are no procedures that require

approval from departmental managers or program managers prior to conversion of items. The exception is for items requested by Police Department staff. If items are sent to Handlebar Helpers; converted to City use; or given to employees, the Purchasing representative assigns a value to the item and enters the information into the database.

The remaining items are boxed and held until a sufficient quantity is available for sale. When quantities warrant, the Purchasing Division will advertise the sale of items in a process known as an "Offer to Purchase." Interested parties are given a list of items and can submit a sealed bid. The lot is sold to the highest bidder.